GOVERNMENT OF INDIA

MINISTRY OF FINANCE

BUDGET FOR 1957-58

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GOVERNMENT OF INDIA

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BUDGET FOR 1957-58

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RAILWAYS' FIRST FIVE YEAR PLAN

The Railway Minister in his speech in Parliament on 23rd February, 1956, introducing the Budget for the current year, referred to the efforts that were being made by Railways to implement their first Five Year Plan, which at that time was about to come to a close, and stated that not only the sum of Rs. 400 crores allotted to Railways by the Planning Commission would be fully utilised, but that that would even be exceeded. The final accounts of 1955-56, which was the last year of the first Five-Year Plan, are now available and according to these, the Railways had actually spent a sum of Rs. 423·73 crores over the five-year period. The distribution of the allotment over the principal categories and the actual expenditure during the period of the Plan are shown below in juxtaposition:—

(In crores of Rupees)

Principal categories of expenditure	Targets set	Actual Expenditure
1	2	3
Rolling stock and machinery	207 96	242.08
Track and bridges	70 47	68 03
Other structural engineering works including Integral Coach Factory, Chittaranjan Locomotive Works, Collieries, Vizag-Port and staff quarters	69 99	68.10
New lines, restoration of dismantled lines and electrification	34 18	33 35
Passenger amenities	15 00	13.34
Miscellaneous items	2 40	—1.17
	400.00	423.73

2. The rolling stock acquired during the Plan period came to 1,586 locomotives, 61,254 wagons and 4,758 coaches. The total holdings on all gauges at the end of the Plan were 9,172 locomotives, 235,198 wagons and 23,155 coaches, against 8,209, 199,094 and 19,225 respectively at the beginning. In spite of the large-scale procurement, however, the proportion of over-aged locomotives and wagons on the Broad Gauge at the end of the Plan period was higher than at its commencement, 32·5% locomotives and 16·5% wagons being over-aged at the end of the Plan compared to 23% and 13·3% respectively at the beginning. The position on the Metre Gauge showed some improvement, only 26% of locomotives and 17·2% of wagons being over-aged at the end of the Plan compared to 31·1% and 29·4% respectively at its commencement. There was an improvement in the position of coaches, both on B. G. and M.G., as the percentage of over-aged coaches at the end of the Plan was reduced to 24% for broad gauge and 26·4% for metre gauge, compared to 29·5% and 45% respectively at the beginning of the Plan.

3. The shortfall of expenditure on track and bridges was mainly due to shortage of materials. Even at the end of the Plan, track renewal was in arrears to the extent of about 7,000 miles for rails and 7,000 miles for sleepers.

4. Dismantled lines with a total mileage of 429·87 were restored and new lines with a total mileage of 379·98 opened for traffic during the Plan. In addition, about 453 miles of new lines were under construction at the end of the Plan period. About 46 miles of narrow gauge lines were converted to metre gauge, and the conversion of about 52 miles of metre gauge to broad gauge was in progress. Electrification of the Howrah--Burdwan main line and the Tarakeswar Branch was also started during the Plan. The Ganga Bridge Project was taken in hand in 1953 at a cost of Rs. 16·20 crores and is expected to be completed and opened for traffic in 1959.

5. The most important project completed during the First Five Year Plan was the Chittaranjan Locomotive Works, which during the Plan period had produced 341 locomotives. The Integral Coach Factory, the construction of which was taken in hand in July 1953, at a cost of Rs. 7·35 crores, went into production in 1955-56 and had turned out 12 coaches during that year. The drive towards self-sufficiency in essential railway stores and rolling stock, which was one of the objectives of the first Five Year Plan, had met with considerable success, as will be evident from the fact that indigenous production increased during the Plan period from 3,707 wagons, 673 coaches and 27 locomotives in 1951-52 to 14,314 wagons, 1,221 coaches and 179 locomotives in 1955-56. A start had also been made with the development of indigenous capacity for manufacturing electrical multiple unit coaching stock by placing orders for such stock for the Calcutta Electrification Project with a firm in India.

6. Other works executed during the Plan period, mainly intended to augment line capacity and improve operation, were for doubling the track, providing more crossing stations, lengthening loops to take longer trains, remodelling and enlarging marshalling yards, signal and tele-communication works, improvements to workshops and sick lines, expansion of power-houses, etc. Building of quarters for railway staff, improvements to water supply, provision of road overbridges, amenity works for passengers, etc., were also carried out to the extent possible within the allotment and the resources available.

7. As a result of these works and other measures taken to remove the bottlenecks in traffic, there has been general improvement in the operational efficiency of the Railways over the Plan period, as will be evident from the following statistical figures:—

	1950-51		1955-56	
	B.G.	M.G.	B.G.	M.G.
Tons originating (in million tons)	70.70	18.68	87	24
Wagon miles per wagon day	38.7	31.2	46.3	28.5
Engine miles per engine day (engine in use)	107	104	111	103
Net ton miles per wagon day	434	186	541	203
Percentage of engines under repair	18.95	17.74	16.8	15.5
Average load of goods trains				
Number of wagons (Main line)	47	36	49	41
Net weight in tons	479	182	528	242
Train miles per running track mile per day	17.0	10.5	18.7	11.7

Metre Gauge figures were depressed to a certain extent by the heavy floods and severe breaches on the North Eastern Railway, which put a section of the line completely out of commission for months on more than one occasion and seriously affected traffic to and from Assam.

8. A comparison of the financial position of the Railways at the commencement and at the end of the first Five-Year Plan shows that traffic receipts rose from about Rs. 247 crores in the year 1950-51 (excluding the freight on railway materials) to Rs. 316 crores in the last year of the Plan—an increase of nearly Rs. 69 crores made up of an increase of about Rs. 10 crores in passenger earnings, 4 crores under other coaching traffic, 53 crores under goods and 2 crores under sundry earnings. Ordinary working expenses rose from about 165 crores in 1950-51, excluding freight on railway material, to 212·95 crores, *i.e.*, nearly 48 crores, the main features being an increase of about 34½ crores in the cost of staff and 3½ crores under cost of fuel, the balance of 10 crores being mainly under the cost of repairs and maintenance and operational stores, etc. The appropriation to the Depreciation Reserve Fund was 165 crores—30 crores per annum during the first four years and 45 crores in the last year of the period. The dividend on Capital rose from about 32¼ crores in 1950-51 to over 36 crores in 1955-56, reflecting the increase in the Capital at charge from 827 crores to 969 crores. The revenue surplus on the working of railways, which was about 15 crores in 1950-51 dropped to about 14¼ crores in 1955-56, but would have been 15 crores higher if the contribution to the Depreciation Reserve Fund in 1955-56 had not been raised to 45 crores against 30 crores in 1950-51.

The Depreciation Reserve Fund had an opening balance at the commencement of the Plan of about 124 crores. It received accretions of 186 crores during the Plan period and suffered a withdrawal of 206½ crores, reducing the balance at the end of the Plan by 20½ crores to 103½ crores. The Railway Reserve Fund had an opening balance in 1951-52 of 14·4 crores, and rose at the end of the Plan period to 46·9 crores—an increase of about 32½ crores, including interest on balances credited to it during the five years. The Railway Development Fund commenced the Plan period with a balance of about 19½ crores and closed it with a balance of nearly 13 crores, the net expenditure charged to it during the Plan being of the order of 50½ crores against contributions from the surplus of about 40 crores and interest on balances of about 3½ crores. Taking all the three funds together, the aggregate balance of these funds, which was 157·9 crores in the first year of the Plan, increased to 163·3 crores at the end of the Plan.

9. Of the total expenditure of 423·73 crores actually spent during the first Five Year Plan period, a sum of Rs. 284 crores was provided by the Railways from their own current resources, which was Rs. 36 crores short of the original figure of 320 crores planned to be found by them. The balance of about 140 crores was met from the general resources of the Government of India.

SECOND FIVE YEAR PLAN

10. Turning now to the second Five Year Plan, a review may be made of the progress already made in the implementation of this Plan in the current year, as also that programmed for the coming year. A number of new lines and several important line capacity works provided for in the Railway Plan and required for carrying the additional coal and steel traffic have either been already taken in hand in the current year have been included in the programme for the next year. The new lines already in progress, intended to carry the additional traffic for the expansion of steel and coal output are the Bhilai-Dhalli Rajhara branch, the Rourkela-Dumaro branch, the Champa-Korba line and Noamundi-Banspani line on the South-eastern Railway. With a view to augmenting line capacity, the electrification of the Howrah-Kharagpur section on the South-eastern Railway and the Burdwan-Asansol-Gomoh section on the Eastern Railway are also proposed to be taken in hand in the coming year.

11. As the South-eastern Railway will have to carry the heaviest load of traffic in connection with the increase in steel production envisaged in the Plan, this Railway had made considerable progress already at the commencement of the Second Plan on works connected with steel output like the doubling of the Anara-Burnpur section and the remodelling of the Jugsalai and Chakradharpur yards and started work on the doubling of the Manoharpur-Rourkela, Raj Kharswan-Barajamda, Sini-Gomharria, Gardhrubeshwar-Joychandipahar and Sini-Kandra sections. In the current year work commenced on the doubling of the Rourkela-Drug section (part of the Rourkela-Kamptee section) and on the provision of marshalling yards for the steel plants at Bhilai and Rourkela. The remodelling of the Adityapur and Tatanagar yards for the Tata Iron & Steel Company's expansion and the provision of automatic signalling on the Sini-Raj Kharswan section are also included in the 1957-58 programme.

12. Important works in progress on the Eastern Railway brought forward from the First 5-Year Plan include a third line to the East Dock Junction and additional facilities on the Lillooah-Tiklapara and Howrah Chord line and on the Jhajha-Moghalsarai section. The provision of crossing stations and additional loops on the Barkakana-Barwadih and of crossing stations on the Barwadih-Sone Nagar sections for coal traffic, the extension of loops in the Burdwan yard and the Sahibganj loop, and the remodelling of the Asansol, Barwadih, Ondal and Howrah goods yards were commenced in the current year. The works programme for 1957-58 includes provision for increasing line capacity by more crossing stations between Jamalpur and Kiul and the remodelling of Moghalsarai and Patherdih yards, extension of loops on the Howrah-Burdwan Chord, the provision of an avoiding line from Damodar to Kalipahari and introduction of automatic signalling on the Gujhandi-Gurpa section.

13. Similarly, on other Railways also, important line capacity works are already in progress and the rest of the major works which are likely to be required to carry the additional traffic expected to be generated under the Second Five Year Plan will be taken in hand in the coming year. The details of the works in progress as well as the new works, are given in the individual Railway's Works, Rolling Stock and the Plant & Machinery Programmes.

14. Procurement of rolling stock envisaged in the Plan is also proceeding satisfactorily. The Plan contemplates the acquisition of 2,258 locomotives, 11,364 carriages and 1,07,247 wagons. Against these 557 locomotives, 1,931 carriages and 27,184 wagons (in terms of four wheelers) have been ordered in the current year, and 411 locomotives, 2,346 carriages including 68 E.M.U. coaches and 17,729 wagons (in terms of four wheelers) are proposed to be ordered against the programme of 1957-58. The locomotives ordered include 100 diesel locos of 2,000 H.P. each for working main line goods traffic.

15. To cope with the repair work of the increased rolling stock holdings which will also be put to more intensive use in the coming years than has been the case in the past, large-scale expansion and modernisation of the existing repair shops, as well as establishment of a few new shops have been or are being taken in hand. The Amritsar Workshop of the Punjab Government has been taken over and is being expanded. Important existing workshops, which are being expanded and modernised are Charbagh (Lucknow) workshops on Northern Railway, Hubli workshops on Southern Railway, Izatnagar and Gorakhpur workshops on the North-eastern Railway, Jhansi workshops on the Central, Lillooah and Jamalpur workshops on the Eastern, Ajmer Loco. & Carriage workshops on the Western and Kharagpur workshops on the South-eastern Railway.

16. In the Plan there is a provision of 80 crores for electrification. The chief projects provided for in the plan are (a) electrification of the Calcutta Suburban

area, on which a beginning was made in the first Plan itself with work on the Howrah-Burdwan Main Line including Tarakeswar Branch, and which is to be extended to cover also the Howrah-Burdwan Chord and Sealdah Division of the Eastern Railway and the Howrah-Kharagpur Section on the South-eastern Railway, (b) the Burdwan-Asansol and Asansol-Gomoh sections on the Eastern Railway, (c) the Igatpuri-Bhusaval Section on the Central Railway and (d) the Tambaram-Villupuram Section on the Southern Railway. In addition to these the electrification of the sections between Gomoh and Moghalsarai and Asansol Raj Kharswan and Barajamda is now under active consideration.

17. New lines which have been completed and opened for traffic in the current year are Champa Korba (24 miles) on the South-eastern Railway, Fatehpur-Churu (26 miles) on the Western Railway, as also Ernakulam-Kottayam Section (37 miles) of the Quilon-Ernakulam link with a total mileage of 87 miles. Lines now under construction are Khandwa-Hingoli, Kottayam-Quilon, Raniwara-Bhiladi, Noamundi-Banspani, Rourkela-Dumaro, Bhilai-Dhalli Rajhara, Etha-Burhan, and Indore-Dewas-Ujjain.

Shortage of Essential Materials

18. The Railway Plan of Rs. 1,125 crores provides for a total additional capacity of 47 million tons over the five-year period. The traffic actually carried last year was 114 million tons, and according to the statistics available to end of January 1957, it is expected that the Railways will carry 126 million tons in the current year, or about 10% more than last year. While the traffic is increasing as envisaged in the Plan, serious difficulties are, however, being encountered in the physical execution of the planned works due to acute shortage of vital stores, *e.g.* steel and cement and permanent way materials like rails, sleepers, and points and crossings. For the successful execution of the Railways' programme for the current year, nearly 1·06 million tons of steel were required, not taking into account the outstandings of the previous years. Against this, the supply to the end of December 1956 was 3·65 lakhs tons only, and the expectation of supplies during the last quarter of the year is 1·90 lakhs tons. If this fully materialises, the total receipt for the year would be 5·5 lakhs tons, against the actual requirement of the year of 1·06 million tons. The supply position of track materials has been particularly unsatisfactory. Against the total indent of 4·55 lakhs tons of rails, fish plates and steel sleepers, the actual supply during the nine months from 1st April, 1956 to 31st December 1956 has been 1·22 lakhs tons only. In the current year, the total number of sleepers—wooden, cast iron and steel—is not likely to exceed 46 lakhs, against a total demand of 90 lakhs track sleepers for all the Railways. Faced with this serious situation, the Railway Ministry are exploring the possibilities of increasing the procurement of sleepers.

19. The position of steel supplies has also been of great concern to the Railways. The Indian Railways have up till now been using 'Open hearth' steel to Indian or British standard specifications for all their requirements to the entire exclusion of 'Thomas quality' steel. As the available supply of open hearth steel was inadequate to meet the entire demands of the Indian Railways under the Second Five Year Plan and as the method of manufacture of Thomas quality steel had also changed in recent years, it was considered that if the Railways would accept Thomas quality steel and metric sizes, a larger field of steel production in the world, particularly in the European Continent, would be thrown open to them for procurement of their steel requirements for the Second Five Year Plan. Rails in Thomas quality and metric sizes had already been ordered in June 1955 in small quantities and were accepted by the Railways in a few categories. A wider use of Thomas quality steel for structural and rolling stock manufacture, however, involved a detailed study of manufacturing methods and also of the practices adopted by certain European railways for utilising that steel. For this purpose

a Fact Finding Mission was sent to Europe last year to examine the extent to which Thomas quality steel could be substituted for the open hearth steel. The Mission submitted its report in August 1956, as a result of which further relaxations have now been made and Thomas quality steel to selected specifications is now acceptable to the railways for many of their track and structural requirements. The question of using Thomas quality steel for workshop manufacture operations is still under examination. Certain changes in the organisation and procedure calculated to expedite procurement of steel are also under consideration.

20. The problem of foreign exchange has also been a source of considerable anxiety in recent months. To ease the position, negotiations are in progress with the World Bank for a loan.

RAILWAYS' OPERATION IN 1956-57

21. Having reviewed the progress made in the implementation of the Second Five Year Plan, we turn now to some important aspects of railway operation and administration in 1956-57. The general improvement in the operating position on the Indian Railways will be clear from the increase, as compared to the last year, of the order of 10% in the originating tonnage handled and 6·38 % in wagon loadings on the Broad Gauge and 10·8% on the Metre Gauge including transhipment loads. The overall coal loading in the country has increased by 6·2%. In the Bengal and Bihar fields the rise has been 5·6% only, and would have been still higher but for the effect of the labour strike in the Raniganj coalfields in September last and the serious breaches on the Eastern and Northern Railways due to heavy rainfall and floods. The picture of improvement is also borne out by the progressive decline in outstanding registrations for traffic on the broad gauge to 11,820 wagons—barely one day's loading. On the metre gauge the outstanding registrations at the beginning of the busy season were 40,360 wagons, of which 31,500 were on the North-eastern Railway for jute destined to stations across the Ganga, and although jute loadings on this railway increased to 260 wagons a day, about 40% more than last year, the frequent interruptions due to the monsoon and adverse conditions attendant on crossing the Ganga have hampered the clearance of this traffic. Movement *via* the transhipment points from broad to metre gauge showed an overall increase of 9·4% on the broad gauge and 11% on the metre gauge. Viramgam and Sabarmati, which used to be congested points of transhipment, have maintained free movement throughout the year. The transhipment at Manduadih is between 180 and 200 wagons a day compared to 130 in last year, and there is a general improvement also in transhipment at Poona, Guntakal, Bangalore, etc. There has been a similar increase in the movement of traffic over difficult routes, for example, the movement *via* Moghalsarai averaged 1,850 wagons up to January 1957, compared to 1,700 wagons in the previous year—an increase of over 8·8%. Of these, 1,400 wagons were coal wagons, which compares with 1,284 wagons per day during the previous year. Movement from Calcutta to the South *via* Bezwada has also been stepped up, free movements being maintained by this route except for a short period during the busy season.

Gratifying results have also been obtained from the special measures taken by railways to increase the efficiency of operation and improve performance by better utilisation of available resources and concerted supervision of important junctions and difficult routes. Wagon miles per wagon day on the broad gauge rose in 1955-56 to the record figure of 46·3 miles, compared to 43·3 miles in the previous year, and net ton miles per day per wagon on the broad gauge increased from 483 to 541 miles. Targets for further improvements ranging from 10% to 20% have been set for the coming year and measures to achieve these targets are well in hand. Progress has been made particularly in the reduction of the idle time of wagons by a further limitation of the free time for loading and unloading, the

progress drop in the detentions in marshalling yards and transhipment points, etc. Goods train miles operated rose from 70·6 million in 1954-55 to 76·5 million in 1955-56, and for the first half of 1955-56 the figure was 39·1 million goods train miles as compared to 36·9 million for the corresponding period of the previous year. The quick transit service for goods introduced from April 1956 on important trunk routes has been well received and is proving increasingly popular. Further studies are also being made of the efficiency of wagon usage, speeds of goods trains, wagon balances, etc. and the cause of variations in unit costs of service on zonal railways.

22. Under the auspices of the "Technical Co-operation Agreement" between the Governments of India and the United States of America, a team of consultants have come to this country to study the problems of increasing line capacity and rail-cum-sea co-ordination. A preliminary report submitted by the team after a three-month survey has been considered by the Railway Board and the consultants have now been asked to undertake detailed studies on the subject of heavier and more powerful steam locomotives, the designing of wagons with larger capacity, the introduction of "Centralised Traffic Control" on certain busy single line sections on the broad and metre gauges and ways and means of improving movement capacity in the coalfield area to cater to the large increase in coal production expected in the Second Five-Year Plan. Their final report is expected next October, and it is hoped that their recommendations will be of great value to the Indian Railways.

23. There were during the year 1956 two cases of unfortunate accidents to trains carrying passengers at railway bridges due to the bridge approaches being washed away by high floods, one near Mehboobnagar on the Central Railway and the second near Ariyalur on the Southern Railway. These have formed the subject of judicial enquiries by High Court judges. Their reports have been received and are under detailed examination.

24. The organisational changes involving the adoption of the Divisional pattern of working on the Railways mentioned in last year's Budget Speech have been carried out on the Central, Western and Southern Railways during the course of the year, and the scheme for the Divisionalisation of the North-eastern Railway is to be implemented within the next few months. Only the South-eastern Railway has, at present, not been covered by the scheme for Divisionalisation, as it is inexpedient to undertake such a major organisational change concurrently with the heavy construction activity now in full swing on that system.

RAILWAY USERS' AMENITIES

25. A survey has been completed of the amenities now available at all stations and the extent to which they will have to be supplemented to reach the minimum standards of amenities prescribed for stations.

Experiments are to be made with six broad gauge and six metre gauge third class day-cum-sleeping cars with two-tier arrangements, instead of the three-tier arrangements in the present third class sleeping coaches, to ascertain the reaction of the public to this type, before deciding on the standard design for third class sleeping coaches. An experiment is also being tried of posting a whole-time officer at one important station on each railway to be in charge of all aspects of Railway working affecting the convenience of rail users and responsible for seeing that passengers are treated with courtesy and consideration, and given all possible assistance in meeting their requirements. Many valuable suggestions regarding passenger amenities have been made by the Estimates Committee, and are already in the process of implementation. Particular mention may be made of extension of facilities for reservation of seats in the third class on long distance

trains from intermediate as well as from starting stations, the provision of more third class coaches for long distance passengers on important trains wherever justified and feasible, and of left luggage offices and lockers at more stations.

26. The problem of overcrowding in trains continues to receive earnest attention on the railways. But difficulties have been accentuated by the continued rise in passenger traffic in the current year compared to the previous year. In 1955-56, 100 new trains were introduced—69 on the broad gauge and 31 on the metre gauge—and the run of 80 trains was extended—41 broad gauge and 39 metre gauge, so that the daily train mileage rose by 5,618 miles on the broad gauge and 2,440 miles on the metre gauge. This process has continued in the current year with 120 new trains introduced and the run of 91 trains extended, involving an extra mileage of 10,768 miles on the broad gauge and 3,257 miles on the metre gauge. Janata trains—fast, long distance trains exclusively for the third class passengers —have been provided on the more important sections, and there are now 18 services of this type. Their frequency also has been increased; the Delhi-Madras Janata has been converted from a tri-weekly service into a daily service from 1st July 1956, and a daily Janata introduced between Bombay and Delhi from 1st October 1956. Some of these services are being worked with vestibuled rakes with a sleeper coach and dining car, twice weekly between Bombay and Madras, and once a week between Delhi and Howrah, Delhi and Madras and Madras and Howrah. Vestibuled fully air-conditioned trains have also begun to run bi-weekly, from 2nd October 1956 between New Delhi and Howrah, from 24th December 1956 between New Delhi and Bombay Central, and from 9th February 1957 between New Delhi and Madras Central. These trains, which are permitted a speed of 60 miles per hour and a booked speed of 55 miles per hour, provide a faster service with limited halts en route, and have air-conditioned third class accommodation and dining car, upholstered reclinable chairs in the third class, a vestibule through the entire rake to permit access to the dining car while on the run, and specially designed spring bogie details for maximum comfort. There is also an attendant for each coach and luggage vans at each end of the train to take heavy luggage.

Further relief of overcrowding is hampered by the inadequacy of line capacity on certain sections and a shortage of coaching stock and locomotives, but railways continue to make the best possible use of available resources for alleviating discomfort and overcrowding in trains, and by a periodical census of passengers, try to ascertain the extent of overcrowding on different sections, with a view to allocating new passenger coaches and locomotives to the sections most in need of relief. The Suburban Train Overcrowding Committee's report has been examined and most of its recommendations have been accepted and are in the course of implementation. Forty-eight more suburban trains were introduced in 1955-56 and 74 more in the current year up to 1st December 1956, most of them on the Central (57) and Western (23) Railways serving the Bombay area, the Eastern and Southern following with 22 and 2 services for the Calcutta area, and the Southern Railway with 14 for the Madras area. It has to be appreciated, however, that in view of the paucity of funds and the rate at which traffic is increasing, these measures cannot be expected to make any impression on the problem of over crowding.

CATERING

27. Almost all the recommendations of the high-powered committee on catering have been implemented or are in the process of implementation. Departmental catering has been introduced on Railways which did not have any before and extended on those already having such arrangements. The better quality of food etc. now served is appreciated by the public and its beneficial effect in raising the general standard of contract catering establishments, which was one of the aims of this move, is perceptible. The introduction of departmental cater-

ing at some stations has been held up due to court proceedings instituted by some contractors but these are expected to be finalised shortly. To supplement the sustained attention being paid by the Railways to the quality of food served from all the catering establishments, departmental or otherwise, a catering supervising committee of three to five non-officials drawn from the zonal Users' Consultative Committees and well-known social service organisations has been constituted on each railway to undertake tours of inspection and suggest improvements. The opening of milk bars and the sale of cheap wholesome food packets is also being extended.

SOCIAL EDUCATION

28. The campaign for social education initiated last year was intensified this year, and a comprehensive scheme to cover the scope of work, the media and solgans to be adopted etc. is under consideration. An experiment with a volunteer corps of railway employees to give practical assistance to passengers is also to be tried at Mathura.

During 1956 there has been a noticeable decrease in the misuse of the alarm chain apparatus on the North-eastern and Eastern Railways. There was an increase on the Western and Central Railways but it is hoped that this is only a temporary phenomenon connected with the States Reorganisation disturbances. Educative propaganda has been supplemented by intensive and frequent checks on the worst affected sections in collaboration with the State police and additional railway magistrates.

The eradication of ticketless travel has also been receiving sustained attention. Sixty-nine lakhs of ticketless travellers were detected in 1955-56. Special measures adopted this year include assigning travelling ticket examiners in plain clothes to certain sections to detect habitual offenders as well as providing a ticket examiner for every two coaches on certain important long-distance trains. Special checks are also being made by a small number of flying squads controlled by the Railway Ministry to obtain a sample survey of ticketless travel on various sections, as a preliminary to intensifying the drive against ticketless travel.

RAILWAY USERS' CONSULTATIVE COMMITTEE

29. The Users' Consultative Committees, at three levels, *viz.*, the National Council, the Zonal Committees and the Regional or Divisional Committees, have been rendering valuable assistance to Railway Administrations. In 1956 a fourth level was added with the station consultative committees formed at important industrial and commercial centres to advise on all matters relating to booking and other facilities for goods, parcels, luggage etc. as well as passenger amenities. Time-table committees at zonal levels on all railways and suburban users' consultative committees on the Central, Western, Eastern, South-eastern and Southern Railways were also constituted during the year. Each railway has a bookstall committee, consisting of one or two non-official members of the zonal committee and one or two prominent retired educationists, which tours and inspects bookstalls and suggests improvements and the weeding out of undesirable publications.

CLAIMS FOR GOODS LOST OR DAMAGED

30. The increase from 1953-54 onwards in the number of new claims received has been persisting, partly due to the increase in traffic and partly due to a larger number of small claims. This disconcerting trend is being tackled by added attention to claims prevention, the posting of special officers exclusively for claims prevention work, the reorganisation and expansion of the Railway Protection

Force for preventing train and yard thefts, intensive campaigns for educating railway staff in the careful handling of consignments, seeking public cooperation in better packing and marking of consignments, and securing wagon doors by improved locking arrangements. The settlement of claims by railways has kept pace with claims, and special steps have been taken in the case of the North-eastern Railway on which claims had accumulated. The average time taken for disposing of claims has been reduced from 72 days in 1951-52 to 51 in 1955-56 and the total amount paid as compensation had declined from 3·18 crores in 1952-53 to 2·56 crores in 1955-56.

The increased effectiveness of the Railway Protection Force is evident from the steady reduction in the number of thefts in running trains, yards and goods sheds since 1953, when there were 7,630 cases, to less than half that number in 1956. A Bill was introduced in the last session of Parliament for investing the Force with statutory powers for arrest and search, and it is hoped that with the aid of these powers, the improving standard of discipline in the force and better initial training of its personnel, the position will improve further.

DRIVE FOR ROLLING STOCK SELF-SUFFICIENCY

31. The Chittaranjan Locomotive Works, the capacity of which was initially rated at 120 average size locomotives, equivalent to 97 locomotives of the W.G. type, actually produced 129 W.G. locomotives in 1955-56 and are expected to turn out 156 this year and 168 next year (this last figure being equivalent to 200 average size units), the cost per locomotive being Rs. 4·98 lakhs approximately inclusive of interest on capital investment. Schemes were prepared for the expansion of capacity to build 300 locomotives per year at the end of the Second Five-Year Plan, but in view of the curtailment of the Plan allotment and the proposed electrification and dieselisation of certain sections of the Railways, it has now been decided to stabilise production at 14 W.G. locomotives, reducing to the maximum extent possible the importation of components.

32. The Tata Locomotive and Engineering Works attained their target production of 50 metre gauge locomotives last year and are raising the target in the course of the second plan period to 100 per year.

33. The Integral Coach Factory at Perambur turned out 12 coaches in 1955-56 and is expected to increase its production to 80 coaches in the current year and 81 next year. Of these, 10 in the current year and 81 next year are expected to be coach shells made of components manufactured indigenously. The furnishing of these coaches, which is at present done at selected railway workshops, has now begun in the Integral Coach Factory itself with the provision of temporary furnishing arrangements there. It is also proposed to provide a separate, permanent furnishing section adjoining the Factory, at a cost of Rs. 3·70 crores, capable of furnishing all the 350 coach shells to be built there per year towards the end of the second Five Year Plan according to the present target.

34. The Railway Ministry have recently entered into an agreement with the Hindustan Aircraft (Private) Limited, under which the latter are developing capacity in collaboration with MAN, the reputed coach building firm of West Germany, for the construction of the integral type of coach in place of the conventional type of coach they have been manufacturing for the railways hitherto.

35. The capacity developed in the country for manufacturing wagons is already of the order of 20,000 wagons per year and covers wagons of all except certain special types. This is planned to be increased to 36,000 wagons a year, and sixteen new Indian firms distributed all over the country have been selected

for the development of extra capacity. Efforts are also being made for the installation of capacity for the manufacture of special types of wagons in the country. With the creation of capacity for manufacturing electrical rolling stock mentioned earlier, there are good prospects of the country becoming practically self-sufficient in the production of rolling stock by the end of the Second Plan period.

RAILWAY STAFF

36. The problem of the recruitment and training of the large numbers of extra staff of all categories necessary for the detailed planning and execution of the works included in the Second Five Year Plan as well as for coping with the large increase of traffic anticipated during the plan period has been receiving constant attention. Careful estimates have been made of the requirements from time to time and indents placed, where necessary, on the Union Public Service Commission and on the Railway Service Commissions for recruitment of staff. Facilities for training the recruits have already been increased and further expansion is under way.

The capacity of the Railway Staff Training College, Baroda, for the training of officers was increased by April 1956 to thirty officers at a time, and arrangements have subsequently been made to increase this further to 110 officers at a time to meet the requirements of officers for the Second Plan. The additional capacity will be used after these recruits have been trained for refresher courses for serving officers.

Considerable progress has been made in the expansion of training facilities on the railways for subordinate staff. The new combined training school at Udaipur on the Western Railway has been completed and is functioning and a technical school at Ajmer is expected to start working towards the end of 1957. On the Central Railway a training school for the Civil Engineering Department with a minimum capacity of 80 trainees is expected to commence work shortly at Manmad, an additional hostel for 64 trainees has been provided in the training school at Bina and an estimate has also been sanctioned for the provision of a permanent general training school at Bhusaval. On the Southern Railway construction is in progress of a training school for staff of the Protection Force at Trichinopoly, to provide facilities for 50 trainees at a time initially and 100 trainees ultimately. On the South-eastern Railway similarly a school is under construction at Kharagpur for training Railway Protection Force Staff.

In order to meet any possible shortage of skilled technical personnel for the Civil Engineering Department in categories like Assistant Inspectors of Works, Draftsmen, Estimators, Tracers and Works Mistries, three centres have been set up, each with a planned capacity for 150 to 200 trainees at a time, one at Mhow in Madhya Pradesh, another at Shahjahanpur in Uttar Pradesh and a third at Madhopur in Bihar. One of the recommendations of the Estimates Committee was that there should be at least one basic training centre on each railway like those at Kanchrapara, Lillooah, Jamalpur and Kharagpur Workshops. Instructions have been issued to railways to provide facilities in the various railway workshops and running sheds for the training of technical staff of different categories, including a basic training shed in all major workshops and basic training centres for giving lectures to trainees. Some railways already have basic training centres and proposals have been framed for setting up new centres and for expansion of existing centres where necessary.

UPGRADING OF POSTS

37. The distribution of posts for certain categories of railway staff among the different scales recommended by the Pay Commission, which has been a source

of grievance on the ground that a predominantly large number of posts was placed in the lowest of the scales of pay for those categories, has been altered to a substantial extent by increasing, with retrospective effect from the 1st April 1956, the percentage of posts in the higher pay scales for these categories by a corresponding reduction of the number of posts in lower grades, so that a considerable number of staff in these categories receive an immediate increase in their emoluments and the rest have improved prospects of promotion to the higher grades. For example, the redistribution has increased the number of posts in the higher grades to which Assistant Station Masters can look for promotion, from 3,000 to 9,000, and the minimum for an Assistant Station Master has been raised to Rs. 80 from Rs. 64. For clerical staff the promotion scales Rs. 80—160 and Rs. 160—220 have been merged in one scale—Rs. 80--220 and about 10,000 posts in the scale of Rs. 60—130 (which replaced the Rs. 55—130 grade in the course of the year) are being raised to the higher grade. 20% of the posts in the scale of Rs. 80—220 will, however, be reserved for direct recruitment and the passing of a departmental examination to be prescribed, will be obligatory for all as a condition precedent to promotion to this scale. Following the pattern in the non-Railway audit and Accounts Department of the Government of India it is proposed to give a higher start of Rs. 100 in the scale of Rs. 80—220 to the Accounts Department clerks. Various other adjustments have also been made affecting stock verifiers, pay clerks, commercial clerks, ticket examiners, signallers, train clerks and typists. The posts in the scale of pay Rs. 80—160 for train examiners have been replaced by posts in the scale Rs. 100—185 and their prospects of promotion improved by an increase in the number of posts in higher grades. The scales of running allowance admissible to a majority of running staff have also been increased. As the precise amount of expenditure on this account is yet to be assessed, a provision of Rs 2·20 crores, including arrears for 1956-57, has been tentatively included in the budget estimates for 1957-58 subject to revision in the light of more accurate information expected to become availabl later.

MEDICAL FACILITIES FOR RAILWAY STAFF

38. Considerable progress has been made in implementing the scheme for providing hospital accommodation for railway staff and their families suffering from tuberculosis. Six hundred and forty six beds have already been sanctioned, including beds in railway hospitals and at selected sanatoria like those at Panchgani, Miraj, Bhopal, Pendra Road, Jadavpore, Ranchi, Kurseong, Ajmer, Bhowali, Gauhati, Kasauli, Jullundur, Tambaram, Sengipatti, Mulakunnathukavu, Pattabiram, Golden Rock, Songad, etc. A further increase in the number of such beds is projected in the course of the next year or two. Chest clinics to facilitate diagnosis and treatment have been established at many railway hospitals and others have been planned. Camera units have been sanctioned for the X-Ray appratus in many railway hospitals for screening new recruits. Free diet (up to a pay limit of Rs. 300) for in patients suffering from tuberculosis is being provided, and substantial additional relief and financial assistance is also given from the Staff Benefit Fund to sufferers from this disease.

A beginning has been made also with the sanction of a 5-bed ward for railway employees and their families in a leprosy institution, and instructions are under issue authorising railways to re-employ subject to certain conditions railwaymen discharged from service on account of leprosy.

Steps have been taken to obtain whole-time specialists in diseases of the eye, ear, nose, throat, chest, etc., and to equip laboratories for pathological examination at headquartes hospital. It has been decided to provide lady doctors

at the headquarters and divisional hospitals at which there are maternity wings or wards, and it is intended to provide midwives at all railway hospitals and important dispensaries as well as at places cut off from civil maternity facilities.

Mobile medical vans have been introduced on some railways as an experimental measure for the benefit of railwaymen working at places away from dispensaries. About 22 of these are to be put into commission.

The recommendations made by the Estimates Committee for a board of visitors for railway hospitals including representatives of staff and for a system of honorary visitors and surgeons at selected railway hospitals have been accepted and are being implemented. The report of the medical officers appointed to review existing medical arrangements on railways and recommending lines of further expansion has since been received and is under consideration.

39. The details of the budget proposals for 1957-58 are given in the Explanatory memorandum which follows.

PART B

EXPLANATORY MEMORANDUM ON THE RAILWAY BUDGET FOR 1957-58

PART I—REVENUE

SUMMARY OF THE FINANCIAL RESULTS OF THE WORKING OF THE RAILWAY UNDERTAKING

SURPLUS

(In crores of rupees.)

1955-56	14·22 (Actuals)
1956-57	**26·95 (Anticipated)**
1957-58	**21·43 (Anticipated)**

FINANCIAL RESULTS OF THE YEAR 1955-56

The revised estimate of traffic earning for 1955-56, which was placed at 315·2 crores in the aggregate, proved to be a very close approximation to the actuals, which were only 47 lakhs higher. Under the different categories of traffic, however, there were some countervailing variations. Passenger earnings came to 107·71 crores against 108·5 crores provided for in the revised estimate, that is, a shortfall of about 79 lakhs, or three-fourths of one per cent.; goods earnings were 28 lakhs more than the estimate of 180 crores, and this increase, along with an increase of 37 lakhs under 'other coaching earnings' and 61 lakhs under 'sundry earnings', more than made up the shortfall in passenger earnings. There was a considerable variation under "Suspense", as instead of the estimated increase of 1·1 crores, there was actually a decrease of 62 lakhs, due to the strenuous efforts made for realisation of earnings held under Suspense, to facilitate which a procedural change was also effected towards the end of the year, in consultation with the Comptroller and Auditor General of India, so as to bring into the accounts of the year, all cash collected during the year although some of the cash might be deposited into the Bank in the first few days of the following year. Including the variation under Suspense, the total gross traffic receipts came to 316·29 crores, an increase of 2·19 crores over the revised estimate of 314·10 crores. Details of the actual gross receipts are exhibited in the table below in juxtaposition with the revised estimate for the year and the actuals of the previous year :—

(In crores of rupees.)

	Actuals, 1954-55	Revised Estimate, 1955-56	Actuals, 1955-56
Passenger earnings—			
Upper	11·34	11·95	12·82
Third	91·28	96·55	94·89
Other coaching earnings	19·24	20·50	20·87
Goods earnings	158·69	180·00	180·28
Sundry other earnings	6·01	6·20	6·81
TOTAL .	286·56	315·20	315·67
Suspense	0·22	—1.10	0·62
Gross traffic receipts	286·78	314·10	316·29

2. Gross figures of the Grants as voted (or the demands presented) have been given in the Explanatory Memorandum this year (and not the net figures including credits usually adopted) because a comparison of figures for three years would otherwise be difficult on account of the change in the disposition of credits described on page 26 of this memorandum.

3. Ordinary Working Expenses (Gross) came to only 252·86 crores against the revised estimate of 254·59 crores—a shortfall of 173 lakhs. There was a shortfall of 37 lakhs or a little over one per cent. in Demand 4—Administration, of 102 lakhs or 1¼ per cent. in Demand 5—Repairs and Maintenance, of 8 lakhs or one-sixth of one per cent. in Demand 6—Operating Staff, of 89 lakhs or 2¼ per cent. in Demand 7—Operation (Fuel), of 74 lakhs or 4¾ per cent. in Demand 8—Operation other than Staff and Fuel, and 24 lakhs or 4⅓ per cent. in Demand 10—Labour Welfare, offset by an increase of 161 lakhs or nearly 5 per cent. under Demand 9—Miscellaneous Expenses. In general terms, these shortfalls were mainly due to delay in recruitment of new staff, less progress on repairs to flood damage, lower expenditure on workshop outturn and running repairs to rolling stock and less adjustment of expenditure on compensation claims, clothing and other stores and freight on fuel. The increase of 161 lakhs under Demand 9—Miscellaneous Expenses, was due mainly to more expenditure charged to Suspense. Credits or recoveries were also about 52 lakhs less than the revised estimate. The actuals under the various Demands are compared in the table below with the revised estimate :—

(In crores of rupees.)]

	Actuals, 1954-55	Revised Estimate, 1955-56	Actual 1955-56
Demand No. 4.—Administration	29·58	31·93	31·56
Demand No. 5.—Repairs and Maintenance	73·78	81·40	80·38
Demand No. 6.—Operating Staff	45·73	49·81	49·73
Demand No. 7.—Operation (Fuel)	37·82	39·89	39·00
Demand No. 8.—Operation other than Staff and Fuel	16·11	15·44	14·70
Demand No. 9.—Miscellaneous Expenses	40·96	30·57	32·18
Demand No. 10.—Labour Welfare	4·52	5·55	5·31
TOTAL	248·50	254·59	252·86
Credits or recoveries	—42·63	—40·43	—39·91
TOTAL	205·87	214.16	212·95

Payments to worked lines came to 27 lakhs against the revised estimate of 25 lakhs. The Net Miscellaneous Expenditure was 122 lakhs less than the revised estimate, the shortfall being mainly in expenditure on open line works chargeable to Revenue. There was also a small saving of 4 lakhs under "Dividend to General Revenues".

4. The net result of all these variations was that the surplus came to 14·22 crores, against 9·58 crores anticipated in the revised estimate. Out of this surplus 7·14 crores was credited to the Railway Reserve Fund and the balance of 7·08 crores to the Development Fund.

5. The Depreciation Reserve Fund, which opened with a balance of 100·69 crores, received credits during the year of 45 crores from Revenue for the Zonal Railways, and 41 lakhs for the Chittaranjan Locomotive Works and 3·26 crores on account of interest on balance, the total accretion to the Fund being 48·67 crores. Against this there was a withdrawal of 45·89 crores, so that the closing balance at the end of the year stood at 103·47 crores.

The Development Fund opened with a balance of 17·54 crores, received an accretion of 7·08 crores from the surplus, and 49 lakhs as interest on balance. The withdrawal from the Fund was 12·14 crores, and its closing balance at the end of the year amounted to 12·97 crores—a decrease during the year of 4·57 crores.

The Revenue Reserve Fund had an opening balance of 38·36 crores. With the appropriation of 7·14 crores from the surplus and an accretion of 1·37 crores as interest on the balance and a credit adjustment of 2 lakhs, the Fund closed with a balance of 46·89 crores—one lakh more than the revised estimate of 46·88 crores.

6. The principal financial figures for 1955-56 are shown below alongside the revised estimate of the year and the actuals for the previous years :—

(In crores of rupees)

	Actuals 1954-55	Revised Estimate, 1955-56	Actuals, 1955-56
Gross traffic receipts	286·78	314·10	316·29
Ordinary Working Expenses	205·87	214·16	212·95
Appropriation to Depreciation Reserve Fund	30·00	45·00	45·00
Payments to Worked Lines	0·22	0·25	0·27
Net traffic receipts	50·69	54·69	58·07
Net Miscellaneous Expenditure	6·63	8·95	7·73
Net Revenue	44·06	45·74	50·34
Dividend to General Revenues	34·96	36·16	36·12
Surplus	9·10	9·58	14·22
Operating Ratio	82·3%	82·5%	81·6%
Capital-at-Charge	901·58	973·66	968·98
Ratio of Net Revenue to Capital-at-Charge	4·9%	4·7%	5·2%

REVISED ESTIMATE FOR 1956-57

TRAFFIC RECEIPTS

7. The revised estimate of traffic earnings for 1956-57 has been placed at 350·75 crores, an increase of 5·65 crores over the budget estimate of 345·1 crores. The increase is mainly under passenger earnings, which are now estimated at 115·5 crores against the budget estimate of 111·4 crores. The rise in passenger traffic during the current year has been fairly steady. Under "other coaching earnings" the revised estimate has been placed at 21·4 crores, that is, 40 lakhs below the budget, mainly because of an unfavourable fruit season and the tendency towards diversion of parcels traffic to express goods service. Goods earnings

have kept pace with the budget anticipation of 8 per cent. increase in traffic in the current year, over that of the last year. The equalisation of terminals and the imposition of a short-distance charge on coal towards the end of October 1956 is, however, expected to produce an extra revenue of about 90 lakhs this year. The revised estimate has, therefore, been placed at 206·5 crores, a crore higher than the budget. Sundry earnings are now estimated at 7·35 crores against the budget estimate of 6·4 crores, in view of the actuals last year having been 6·81 crores and extra earnings anticipated from the extension of departmental catering (receipts from which are credited to earnings).

Under Traffic Suspense an increase of about 75 lakhs is anticipated in view of the higher level of traffic and earnings this year compared to 1955-56.

Taking all these variations into account, the gross traffic receipts have now been placed at 350 crores, the details of which are compared in the table below with the budget estimate for the current year and the actuals of the previous year :

(In crores of rupees.)

	Actuals, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57
Passenger earnings—			
Upper	12·85	12·00	**13·00**
Third	94·86	99·40	**102·50**
Other coaching earnings	20·87	21·80	**21·40**
Goods earnings	180·28	205·50	**206·50**
Sundry other earnings	6·81	6·40	**7·35**
Suspense	0·62	—0·10	**—0·75**
TOTAL	316·29	345·00	**350·00**

WORKING EXPENSES

8. The total budget grant for ordinary working expenses for the current year was 262·05 crores, supplementary grants under demands 4, 5, 7, 9 and 10 aggregating to 7·38 crores were voted by the Parliament during their last session raising the total grant for the year to 269·43 crores. The revised estimate based on the latest anticipations is, however, 268·98 crores. There is an increase under Demand 9 because the savings anticipated in December last under the provision for expenditure charged to Revenue Suspense are not now expected to materialise fully and a supplementary demand is being placed for this increase. There are, however, countervailing savings under the staff demands, 4 and 6, due to the pace of recruitment of staff having turned out to be slower than expected, and under demand 8 in the expenditure on stores and clothing, compensation claims for goods lost or damaged, and electrical energy. The net increase in the latest estimates over the original budget is only 4·93 crores after deducting the credits for freight on coal and other railway material as well as for released material, etc., which are now estimated at about 2 crores higher than in the budget.

The reasons for the increase in ordinary working expenses during the year, necessitating the supplementary grants taken in December 1956 and those now presented, are explained below.

Demand 4—Administration.—An increase of about 51 lakhs over the budget of 34·55 crores was anticipated in December 1956 due to the revision of pay scales of the lowest paid clerks and of assistant surgeons decided on after the Budget (20 lakhs), the strengthening and re-organisation of the Railway Watch & Ward staff as a Railway Protection Force to reduce yard and train thefts and the appointment of additional staff found necessary during the year (35 lakhs), offset by a slight decrease under Police Charges (—4 lakhs). A supplementary grant for this amount was taken in December 1956, but, due mainly to delays in the recruitment of staff, the present estimate of expenditure under this demand is only 34·60 crores, *i.e.*, only about 5 lakhs more than the original budget.

Demand 5—Repairs and Maintenance.—The increase of 190 lakhs under this demand, for which a supplementary grant was voted in December 1956, is on account of flood damage (50 lakhs), the shifting of river ghats following changes in the course of the river (9 lakhs), increase in the price of building materials and labour rates (40 lakhs), heavier expenditure on electrical train lighting equipment (20 lakhs), and the rehabilitation of suburban rolling stock (5 lakhs), higher rates of rental for telephone and telegraph wires decided on after the Budget (34 lakhs), heavier maintenance charges for signal and tele-communication instruments (5 lakhs) and more expenditure on river protection works (25 lakhs) and on repairs to machinery, plant and tools etc., and replacement of furniture and tarpaulin (28 lakhs), offset by a reduction in the estimate of expenditure on maintenance of rolling stock, etc., due to the out-turn from workshops being affected by strikes etc. and fewer special repairs of rolling stock being undertaken (—26 lakhs).

Demand 6—Operating Staff.—A saving of 21 lakhs over the budget grant is now anticipated owing to sundry minor variations.

Demand 7—Operation (Fuel).—Under this demand, a supplementary grant for 3·21 crores was obtained from Parliament in December last mainly due to the enhancement of coal prices effective from July 1956 (270 lakhs), and the enhancement of terminal charges on coal from October 1956 (39 lakhs), both after the Budget, along with minor increases due to an increase of consumption of the inferior grades of coal received, the consumption of more oil in the Chola power House etc. (12 lakhs). According to the latest estimate, the excess over the budget would be only about 3·07 crores, the saving of 14 lakhs being due mainly to less expenditure now anticipated on freight and handling of coal.

Demand 8—Operation other than staff and fuel.—A saving of 27 lakhs is now anticipated on the budget grant under this demand, due mainly to less expenditure expected to be adjusted during this year on compensation for goods lost or damaged, on stores and clothing and on consumption of electrical energy.

Demand 9—Miscellaneous Expenses.—An increase of 1·38 crores under this demand was anticipated in December 1956 for which a supplementary grant was taken. This was due to arrear contribution to the provident fund of temporary staff confirmed with retrospective effect, and the decision to credit Government contribution in the provident fund accounts of temporary staff on their completing three years of service instead of retrospectively on their confirmation (106 lakhs), additional provision required under Gratuities and Special Contribution (23 lakhs) for compensation to passengers injured in railway accidents (19 lakhs), subsidy on grainshops owing to the rise in food prices (27 lakhs), the expansion of departmental catering (31 lakhs), and certain other miscellaneous

increases (17 lakhs), offset by reduction under Suspense transactions (—85 lakhs). This anticipated reduction under Suspense, however, is expected now to materialise only to the extent of 45 lakhs, and there is a further increase of 23 lakhs on other heads of the demand. A supplementary demand for 63 lakhs is, therefore, being presented now.

Demand 10—*Labour Welfare*.—The increase of 38 lakhs over the budget for which a supplementary grant was taken in December 1956, is due mainly to a heavy increase in the expenditure on the training of staff (24 lakhs), and on medical (7 lakhs), and health and welfare services (4 lakhs), canteens and other staff amenities (3 lakhs), incidental to the reservation of beds for T.B. patients in sanatoria, higher expenditure on drugs, the establishment of chest clinics and the improvement of conservancy arrangements.

There is no variation in the appropriation to Depreciation Reserve Fund.

Under payments to Worked Lines, however, there is an increase of 11 lakhs due mainly to higher payments having to be made to the Cochin Harbour Railway the traffic on which suddenly increased steeply following the closure of rail communications with Mormugao harbour early in 1956.

The table below compares the revised estimate for Ordinary Working expenses for the current year with the budget as increased by the supplementary grants taken in December 1956, and the actuals of the previous year :

(In crores of rupees.)

	Actuals, 1955-56	Budget Estimate, 1956-57 as modified by Supplementary Demands voted in December, 1956	Revised Estimate, 1956-57
Demand 4.—Administration	31·56	35·06*	**34·60**
Demand 5.—Repairs and Maintenance	80·38	86·16*	**86·16**
Demand 6.—Operating Staff	49·73	52·87	**52·66**
Demand 7.—Operation (Fuel)	39·00	45·28*	**45·14**
Demand 8.—Operation other than Staff and Fuel	14·70	15·99	**15·72**
Demand 9.—Miscellaneous Expenses	32·18	27·80*	**28·43**
Demand 10.—Labour Welfare	5·31	6·27*	**6·27**
TOTAL	252·86	269·43	**268·98**
Credits or Recoveries	—39·91	—38·02	**—39·95**
TOTAL	212·95	231·41	**229·03**
Appropriation to Depreciation Reserve Fund	45·00	45·00	**45·00**
Payments to Worked Lines	0·27	0·20	**0·31**

*The Supplementary Demands voted are 50·83, 190·00, 320·73, 137·78 and 38 lakhs respectively under Demands 4, 5, 7, 9 and 10.

MISCELLANEOUS TRANSACTIONS

9. An increase of 38 lakhs is expected in Miscellaneous Railway Receipts due to the dividend of 33 lakhs declared on Government shares in the Tata Locomotive and Engineering Co. during the current year and the anticipated recovery of 5 lakhs including arrears, from the Madras Government on account of their guarantee on certain unremunerative branch lines.

Miscellaneous expenditure is now estimated at 164 lakhs less than the Budget. The shortfall is mainly on expenditure on Open Line Works chargeable to Revenue (158 lakhs), and on Miscellaneous Establishment and Miscellaneous charges (8 lakhs), offset by an increase of 2 lakhs under Surveys.

The saving under Open Line Works-Revenue is mainly due to shortage of materials like steel and cement. The increase of 2 lakhs under Surveys is due to certain new Surveys (listed in Appendix XI) which were taken up during the year. As these Surveys were not provided for in this or any previous Budget they have to be treated as 'Newservice' and are, therefore, being brought to the notice of Parliament through a token provision included in the supplementary demand.

The net saving of 8 lakhs under Miscellaneous establishments and Miscellaneous charges, is made up of a number of compensating variations of which only two call for specific mention, *viz.* the proivsion for Baroda Staff College and for pensionary charges.

Expenditure on additions and alterations to the Pratap Vilas Palace, Baroda taken on a 99-year lease from the Bombay State for housing the Baroda Staff College, was hitherto charged to Miscellaneous Revenue Expenditure, but is now being written back to the normal heads of allocation for works expenditure, following a recent decision to bring the allocation into line with that of other similar property held by Railways on very long leases, *e.g.*, from the Improvement Trusts. As regards pensionary charges, the sterling pensions payable in U.K. have, with effect from 1955-56, been capitalised by mutual agreement between the Governments of India and the U.K. and it has been tentatively decided that the Railway share of the capitalised value of the pensions will be payable by the Railway Ministry to the Finance Ministry, together with interest thereon, in 30 annual instalments. Accordingly, provision is being made for the adjustment of two annual instalments, *i.e.*, for the years 1955-56 and 1956-57, payable by Railways to the Ministry of Finance and this has resulted in the charged portion of the expenditure, representing the interest element of the annual instalments, now appearing in the Demand and this is brought to the notice of Parliament.

The table below compares the revised estimate for Miscellaneous Transactions with the budget and the actuals of the previous year :

(In lakhs of rupees)

RECEIPTS	Actuals, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57
Guarantee recoverable from State Governments for unremunerative lines	..	1	5
Other receipts from subsidised companies	2	2	3
Miscellaneous Railway Receipts	2	2	35
TOTAL RECEIPTS	4	5	43

(In lakhs of rupees)

	Actuals, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57
EXPENDITURE			
Rebate	..	..	..
Subsidy	5	8	**6**
Land	..	..	..
Surveys	17	35	**37**
Miscellaneous Railway Expenditure	1,58	1,83	**1,77**
Open Line Works—Revenue	5,97	10,83	**9,25**
TOTAL EXPENDITURE	7,77	13,09	**11,45**
Net Miscellaneous Expenditure	7,73	13,04	**11,02**

DIVIDEND TO GENERAL REVENUES

10. The revised estimate of Dividend payable to General Revenues has been placed at 37·69 crores, *i.e.* 1·98 crores less than the budget of 39·67 crores due to a downward revision of the Railways' capital-at-charge. The capital-at-charge and the balances under the various funds at the time of partition were fixed on an *ad hoc* basis. Even though the pre-partition accounts are yet to be closed and the final figures as at the time of partition are, therefore, still to be arrived at, various accounting adjustments pertaining to the period prior to 14th August 1947 have been made in the last few years and, as a result, the figures of capital-at-charge and balances under the various funds have had to be revised.

The table below shows the principal financial figures for the current year according to the revised estimate, as compared to the budget, and also with the actuals of the previous year.

(In crores of rupees)

	Actuals, 1956-57	Budget Estimate, 1956-57	Revised Estimate, 1956-57
TRAFFIC RECEIPTS			
Gross Traffic Receipts	316·29	345·00	**350·00**
WORKING EXPENSES			
Ordinary Working Expenses	212·95	224·10	**229·03**
Appropriation to Depreciation Reserve Fund	45·00	45·00	**45·00**
Payments to Worked Lines	0·27	0·20	**0·31**
TOTAL WORKING EXPENSES	258·22	269·30	**274·34**
Net Traffic Receipts	58·07	75·70	**75·66**

(In crores of rupees)

MISCELLANEOUS TRANSACTIONS	Actuals, 1956-57	Budget Estimate, 1956-57	Revised Estmate, 1956-57
Receipts	0·04	0·05	**0·43**
Expenditure	7·77	13·09	**11·45**
Net Miscellaneous Expenditure	7·73	13·04	**11·02**
Net Railway Revenues	50·34	62·66	**64·64**
Dividend to General Revenues	36·12	39·67	**37·69**
Net Gain or Surplus	14·22	22·99	**26·95**

SURPLUS AND RESERVES

11. The surplus now expected for the current year is thus nearly 4 crores higher than the budget estimate and a supplementary demand is being presented to Parliament for increasing the appropriation to the Development Fund correspondingly.

As already stated, re-adjustments have been found necessary in the opening balances of the three Funds as on 14th August 1947 and in consequence the balance in the Depreciation Reserve Fund has been reduced by 3·6 crores, that in the Development Fund by 2½ lakhs and the Revenue Reserve Fund by 9 lakhs.

The balance in the Development Fund at the end of the current year will thus stand at 20·98 crores taking into account the enhanced appropriation of nearly 4 crores and the reduction in the opening balance of about 2½ lakhs mentioned above.

The opening blanace in the Depreciation Reserve Fund has been reduced to 99 87 crores as compared to the closing balance of 103·47 crores to end of 1955-56 as a result of the adjustment mentioned above. The contribution to the Fund during the year will be 45 crores from Revenue and 63 lakhs from the Chittaranjan Locomotive Works and the Integral Coach Factory, Perambur. The interest on the balance for the year will be 3·30 crores. With a withdrawal of 45·72 crores the balance in the Fund at the end of the year is expected to be 103·08 crores.

The interest on balance to be credited to the Revenue Reserve Fund during the year will be about 1·54 crores, and the Fund is expected to stand at 48·34 crores at the end of the year, after allowing for the reduction in balance referred to above.

BUDGET ESTIMATE, 1957-58

TRAFFIC RECEIPTS

12. The estimate of passenger earnings in 1957-58 has, on the basis of the present trend and future anticipations, been placed at 119 crores. Earnings from other coaching traffic have been placed at 24 crores, allowing for an increase of 2·2 crores in the earnings from the haulage of postal traffic at the revised rates effective from 1st April 1936, the adjustment for the current year also being made in 1957-58.

An increase of 5 per cent. in goods traffic over the current year is anticipated in 1957-58, and, adding about one crore for the effect for a full year of the adjustment of terminal charges and the short-distance charge on coal in force from October, 1956, the estimate of goods earnings had been placed at 218 crores. This is inclusive of the supplementary charge of six and a quarter per cent. which is proposed to be continued till a selective variation of charges is made on the basis of the recommendations of the Freight Structure Enquiry Committee. Their report is expected to be received shortly and as their recommendations are likely to be considered and implemented in the course of the budget year, the consequential changes in the freight rates of various commodities would naturally modify the estimate mentioned above. But the extent of these modifications cannot now be anticipated and the estimate of goods earnings now given can; therefore, only be purely tentative. The estimate of sundry earnings has been placed at about 75 lakhs higher than that for the current year on the basis of the trend of increase in sundry earnings and on the expectation of higher earnings from the catering department.

The total traffic receipts are thus expected to be 369·10 crores, and, allowing for an increase of 60 lakhs in Suspense, the estimate for gross traffic receipts in 1957-58 is placed at 368·50 crores. The details are compared in the following table with the revised estimate for the current year and the actuals of the previous year.

(In crores of rupees)

	Actuals, 1955-56	Revised Estimate, 1956-57	Budget Estimate, 1957-58
Passenger Earnings—			
Upper	12·85	13·00	**13·75**
Third	94·86	102·50	**105·25**
Other Coaching Earnings	20·87	21·40	**24·00**
Goods Earnings	180·28	206·50	**18·00**
Sundry Other Earnings	6·81	7·35	**8·10**
Suspense	0·62	—0·75	**—0·60**
TOTAL	316·29	350·00	**368·50**

WORKING EXPENSES

13. Before dealing with the estimates of Ordinary Working Expenses for the year 1957-58, it is necessary to explain certain changes which have been introduced in the structure of the demands for grants, in consultation with the Comptroller and Auditor General of India, where necessary. These changes, as detailed below, have been introduced mainly in implementation of the recommendations of the Estimates Committee.

(*i*) The Estimates Committee in their 23rd report on the Railway Budget 1956-57 recommended as follows :—

> "The Committee also feels that it would be advantageous if there is a more appropriate classification under demand head "Administration", and charges that are purely administrative are segregated from those that directly belong to workshops, depots etc." (Recommendation No. 4).

In consonance with this recommendation, expenditure on pay and allowances of those subordinate supervisory staff whose duties are mainly connected with repairs and maintenance is being transferred to Demand 5—Repairs and Maintenance, and that on pay and allowances of such staff connected mainly with operation is being transferred to Demand 6—Operating Staff. The variations on account of this transfer (as well as of other transfers mentioned later), have been fully brought out in the explanatory notes to the respective demands, as desired by the Committee in recommendation 5 of the same report.

(ii) A separate annexure has been added to demands 4 to 10 to indicate the number of posts in each of the various departments of Railways, as per recommendation 17 of the 23rd report of the Committee.

(iii) In recommendation 18 of the same report the Committee desired that " there should be a device by which profit or loss on departmental catering is available for the information of Parliament ". For this purpose a new detailed head to show the gross direct expenditure on departmental catering has been introduced in Demand 9, and an annexure added to that demand to indicate the profit or loss on departmental catering. It may be mentioned in this context that the earnings on departmental catering are, under the present rules of classification, taken as a part of sundry traffic earnings.

(iv) In consonance with recommendation 26 of the Committee's 31st report on Finance and Accounts to the effect that actual Capital expenditure should be shown in the budget documents under the same detailed heads as shown in the Programme, an extra column has been introduced in the statement at the commencement of Part I of the Summary of the Works, Machinery and Rolling Stock Programme.

(v) Similarly, the financial results of working of individual Railways for three years preceding the current year have been included in Appendix VII to the Explanatory Memorandum, towards the implementation of recommendation 32 of the 31st report. Comparable figures for years earlier than 1954-55 are not available since apportionment of earnings among Railways was not done in 1952-53 and 1953-54.

(vi) A few more changes have been made to enable better control of expenditure against the budget by each department and also to present a more accurate picture of the expenditure of each department.

In Demand 4—Administration, the detailed head " Other General Departments and Miscellaneous Expenses " has been broken up into separate detailed heads for " the Railway Security Organisation ", " the Medical Department" (to the extent the expenditure on that department is shown in Demand 4), and "Other Expenses ".

Expenditure on dearness allowance and dearness pay having more or less stabilised, the separate head for this in most of the demands, against which dearness allowance payable to staff of all departments of each demand was collected and exhibited together has been abolished, and the provision for dearness allowance and dearness pay has been included under each department along with the pay and allowance of its staff.This change has been carried out in all the demands in which this head used to appear separately.

In Demand 5, the four special heads " Write-back of the cost of military sidings initially charged to Capital ", "Inflationary element in expenditure since 1942-43 ",

" Write-off of the capital cost of dismantled lines " and "Write-off of the capital cost of assets" abandoned, have been deleted. These heads were introduced during the war under the special rules of allocation then in force to show the amounts debited to Revenue on account of transactions which arose under the abnormal conditions prevailing at that time. The only transaction continuing under these heads now is the dismantlement of military sidings necessitating a further write-back of their cost which was then debited to Revenue. It has been decided that such credits should in future be taken outside the demand instead of within the demand as hitherto. In case any residual adjustments arise which would have been chargeable to these special heads, they will be appropriately merged in the other detailed heads of Demand 5. To enable a comparison with the budget estimates for 1957-58 the figures of actuals of the last year and the revised estimates for the current year are also shown merged in this manner in the annexures to demands for Working Expenses for 1957-58.

Another change made with a view to better control over expenditure is the transfer from Demand 9 to Demand 8 of that portion of Suspense which represents the payments made by any individual railway in settlement of claims for compensation for goods lost or damaged, which cannot be charged to the final head pending ascertainment of inter-railway liability for the loss or damage. Since the final head for such compensation is in Demand 8, it is more appropriate that this portion of Suspense should also be in the same demand.

(vii) A change has also been effected in the disposition of the credits for freight for the carriage of materials, including coal for railway use, which, under the extent procedure, are taken in reduction of expenditure in accounts. Hitherto, the entire credit for freight on coal for railway use was taken under Demand 7, and the credit for freight relating to the carriage of all other railway materials was taken under Demand 8. This arrangement, however, ignored the fact that the dependent cost of transport (*i.e.*, actual ' out of pocket ' expenditure on the movement of railway material), which is supposed to be covered by the concessional freight charges levied from the Departments, includes, in fact, a proportion of expenditure on repairs and maintenance of the assets as well as of all items of direct operating expenses. It has, therefore, been decided that these credits on each Railway should in future be divided between Demand 5—Repairs and Maintenance and the three Operational Demands, *i.e.*, Demands 6 to 8, in the proportion of the gross expenditure under each of these demands. The credits for 1957-58 have been distributed accordingly, and the effect of these changes brought out suitably in the explanatory note under each demand. It need hardly be stated that these credits being taken outside the demand, do not affect the gross expenditure to be voted under each demand. Since, however, the redistribution of credits make a large difference to the net figure of each demand, the gross figures are adopted in this memorandum wherever working expenses are shown by demands.

14. Coming now to the gross budget estimate of Ordinary Working Expenses for the year 1957-58, it has been placed at 248·42 crores which is 15·44 crores more than the revised estimate for 1956-57. There is an increase of 4·6 crores under Fuel due to the anticipated increase in train miles to cater for the increase in passenger and goods traffic expected in the budget year ; of 3·32 crores under repairs to rolling stock reflecting the increase in rolling stock holdings and the larger numbers of them expected to undergo periodical overhaul and require running repairs in the course of intensive use to cope with the traffic ; and of 9·03 crores mainly on

staff expenditure due to the redistribution of the number of posts among the different grades with retrospective effect from 1st April 1956, and normal annual increments, and the pay and allowances, of additional staff appointed to cope with the increase in traffic and the increasing tempo of work in the implementation of the second Five-Year Plan, offset by decrease in transactions expected to be charged to Revenue Suspense (1·51 crores). The table below shows the budget estimates of Working Expenses for 1957-58 under the different demands alongside the revised estimates for the current year and the actual for the previous year.

(In crores of rupees)

	Actuals, 1955-56	Revised Estimate, 1956-57	Budget Estimate, 1957-58
Demand No. 4.—Administration	31·56	34·60	**30·71**
Demand No. 5.—Repairs and Maintenance	80·38	86·16	**93·92**
Demand No. 6.—Operating Staff	49·73	52·66	**59·39**
Demand No. 7.—Operation (Fuel)	39·00	45·14	**49·74**
Demand No. 8.—Operation other than Staff and Fuel	14·70	15·72	**17·25**
Demand No. 9.—Miscellaneous Expenses	32·18	28·43	**26·23**
Demand No. 10.—Labour Welfare	5·31	6·27	**7·18**
TOTAL	252·86	268·98	**284·42**
Credits or recoveries	—39.91	—39.95	**—40·57**
TOTAL	22·95	229·03	**243·85**
Appropriation to Depreciaton Reserve Fund	45·00	45·00	**45·00**
Payments to Worked Lines	0·27	0·31	**0·31**

The variations under each demand are explained below in greater details.

Demand 4.—Working Expenses—Administration :

A decrease of 3·89 crores in the budget estimates for 1957-58, is due mainly to the transfer of the expenditure of 6·46 crores on subordinate supervisory staff from this demand to demands 5 and 6 in deference to the Estimates Committee's recommendation referred to earlier. This, however, has been partially offset by extra expenditure on account of the re-distribution of posts among the different grades, etc., with retrospective effect from 1st April 1956 (40 lakhs) annual increments (32 lakhs) and a full year's provision including dearness allowance (185 lakhs) for the additional staff appointed in the later part of 1956-57 and to be appointed in administrative offices next year for planning, increase in traffic and increase in the volume of wrok and in the Railway Protection Force for combating yard and train thefts.

Demand 5—Repairs and Maintenance:

The increase of 7·76 crores under this demand is due mainly to the transfer to it from Demand 4 of the expenditure on subordinate supervisory staff relating to

repairs and maintenance work (4·43 crores), provision for annual increments (35 lakhs), to extra expenditure on periodical overhauls, to more rolling stock and increased running repairs due to increase in the number of stock on line and its more intensive use due to increase in traffic (2·46 crores), more expenditure including cost of additional staff, on repairs to electrical installations (56 lakhs) and maintenance of signal and telecommunication equipment (10 lakhs), partly counterbalanced by savings under Other Expenses due to non-recurrence of the heavy purchases in 1956-57 of tarpaulins for the transport of vulnerable traffic in open trucks etc. (—14 lakhs).

Demand 6—Operating Staff:

Of the increase of 6·73 crores under this Demand, 2·03 crores is due to the transfer to it from Demand 4 of some expenditure on surbordinate supervisory staff engaged mainly on operating work, 180 lakhs due to the re-distribution of posts etc., with retrospective effect from 1st April 1956, 63 lakhs for annual increments and 227 lakhs for additional staff appointed in the current year or to be appointed next year to cope with the increase in traffic.

Demand 7—Operation (Fuel) :

The increase of 4·60 crores covers the cost of the extra coal necessary for the increase in passenger services and in goods traffic in the budget year as well as the effect for the full year of the increase in the statutory price of coal which was effective only for part of the current year (2·24 crores), freight and handling charges (2·47 crores) and excise duty and cess (7 lakhs) on the larger quantities of coal necessary to cover increased consumption and to build up depleted stocks and to cover a full year's provision for the increase in the terminal charges on coal effective for only about half of the year. An increase of 3 lakhs has also been allowed under electric current for traction purposes. These increases are offset by reduction in the cost of other fuel and of losses of fuel to the extent of 21 lakhs, the former due to the gradual reconversion of oil-fired locomotives on the Southern Railway to coal-burning and the latter due to non-recurrence next year of arrear adjustments made this year for losses of coal.

Demand 8—Operation other than Staff & Fuel :

The increase of 1·53 crores is mainly due to the transfer to this demand from Demand 9 of a provision of 1·1 crore under Suspense to accommodate the debit for payment of compensation for goods lost or damaged made before settlement of inter-railway liability. The balance of 43 lakhs is distributed over stationery, forms and tickets (1 lakh), handling collection and delivery of goods (10 lakhs), clothing and stores (26 lakhs) and other miscellaneous items (4 lakhs) generally reflecting the anticipated increase in traffic and of 21 lakhs under electrical services due to higher consumption of electricity. These are counterbalanced by a saving of 19 lakhs under compensation for goods lost or damaged due to non-recurrence in 1957-58 of the heavy clearance from Suspense made in the current year.

Demand 9—Miscellaneous Expenses :

On this demand, as a whole, there is a reduction of 2·20 crores. Under Suspense there is a reduction of 2·61 crores partly due to the transfer of provision to Demand No. 8 just explained, and partly due to fewer transactions expected to be placed in Suspense in 1957-58 as compared to 56-57. This is offset by an increase of

41 lakhs under final heads owing mainly to the provision of 66 lakhs for expansion of departmental catering and to cover the expenditure on this for a full year as against only part of the current year, counterbalanced to the extent of 25 lakhs by the non-recurrence next year of the arrear adjustments of Provident Fund bonus made this year and minor decreases under gratuity, compensation claims arising out of accidents, the subsidy on grainshops, etc.

Demand 10—Labour Welfare :

The increase of 91 lakhs under this demand is mainly due to additional provision found necessary (a) under " Education ", for the training of new staff and refresher courses for other staff in order to improve efficiency and particularly the safe working of trains (45 lakhs), (b) under " Medical " Department, for the extension of medical facilities to staff, provision of additional beds in hospitals and reservation of beds for T. B. patients etc. (26 lakhs), and (c) under " Health & Welfare Services ", to cover the increase in anti-malarial and other such activities and in the provision and improvement of conservancy arrangements necessitated by the expansion of railway colonies, etc. (20 lakhs).

As in the current year, a provision of 45 crores chargeable to revenue working expenses has been made in the budget estimates for contribution to the Depreciation Reserve Fund.

Under Payments to Worked Lines the budget estimates has been placed at 31 lakhs as in the revised estimates for the current year.

MISCELLANEOUS TRANSACTIONS

15. The net result of miscellaneous transactions for the budget year is expected to be a net expenditure of 14·12 crores made up of receipts of 16 lakhs and expenditure of 14·28 crores under the heads shown in the table below :

(In lakhs of rupees)

	Actuals, 1955-56	Revised Estimate, 1956-57	Budget Estimate, 1957-58
RECEIPTS			
Guarantee recoverable from State Governments for unremunerative lines	..	5	1
Other receipts from subsidised companies	2	3	2
Miscellaneous Railway receipts	2	35	13
TOTAL—RECEIPTS	4	43	16
Rebate	..	..	..
Subsidy	5	6	11
Land	..	..	..
Survey	17	37	34
Miscellaneous railway expenditure	1,58	1,77	2,10
Open line works—Revenue	5,97	9,25	11,73
TOTAL EXPENDITURE	7,77	11,45	14,28
Net miscellaneous expenditure	7,73	11,02	14,12

There is a decrease of 27 lakhs under miscellaneous receipts owing to new recurrence of the arrears of dividend on Government shares in TELCO as in 1956-57 and an increase of 2·83 crores under miscellaneous expenditure which is chiefly due to expenditure on Open Line Works chargeable to Revenue being 2·48 crores higher on account of a heavier programme and an increase of 10 lakhs in the expenditure on the Railway Board's office, and 25 lakhs under other miscellaneous establishments.

DIVIDEND TO GENERAL REVENUES

16. The estimate of Dividend to general revenues is placed at 43·79 crores on the basis of the Convention resolution. This takes into account an increase in capital outlay during 1957-58 of 124 crores. (Deferred dividend on the Capital of 18·52 crores laid out on new lines since 1st April 1955 comes to 63 lakhs up to the end of 1957-58).

The following table summarises the anticipated financial results of the budget year in juxtaposition with the revised estimates of the current year and the actuals for the previous year.

(In crores of rupees)

	Actuals, 1955-56	Revised Estimate, 1956-57	Budget Estimate, 1957-58
TRAFFIC RECEIPTS			
Gross Traffic Receipts	316·29	350·00	**368·50**
WORKING EXPENSES			
Ordinary Working Expenses	212·95	229·03	**243·85**
Appropriation to Depreciation Reserve Fund	45·00	45·00	**45·00**
Payments to Worked Lines	0·27	0·31	**0·31**
TOTAL WORKING EXPENSES	258·22	274·34	**289·16**
Net Traffic Receipts	58·07	75·66	**79·34**
MISCELLANEOUS TRANSACTIONS			
Receipts	0·04	0·43	**0·16**
Expenditure	7·77	11·45	**14·28**
Net Miscellaneous Expenditure	7·73	11·02	**14·12**
Net Railway Revenues	50·34	64·64	**65·22**
Dividend to General Revenues	36·12	37·69	**43·79**
Net Gain or Surplus	14·22	26·95	**21·43**

SURPLUS AND RESERVES

17. The estimated surplus of 21·43 crores is proposed to be credited to the Development Fund.

Withdrawal from the Development Fund in the budget year will be of the order of 32·37 crores against the credit of 21·43 crores from surplus and 52 lakhs on account of interest accruing on the balances of the Fund. It is expected to close with a balance of 10·56 crores.

The Depreciation Reserve Fund, which is expected to open with a balance of 103·08 crores, will receive a credit of 45 crores from Revenue and 68 lakhs from the Chittaranjan Locomotive Works and Integral Coach Factory and earn an interest of 3·38 crores. Withdrawals are estimated at 49·74 crores, and the Fund is likely to close with a balance of 102·40 crores at the end of the year.

With the interest of 1·61 crore earned on the balance during the year the Revenue Reserve Fund is expected to close with 49·96 crores at the end of 1957-58.

A detailed year-wise account of the three Funds mentioned in the foregoing paragraphs is given in appendices VIII to X to this memorandum.

PART II

EXPENDITURE ON THE WORKS, MACHINERY AND ROLLING STOCK PROGRAMME OF RAILWAYS

REVISED ESTIMATES—1956-57

18. The programme for the current year for rolling stock, machinery, works constructions etc. was for an outlay of 193·0 crores. Of this the outlay on rolling stock and machinery, was placed at 79·63 and 4·96 crores respectively, against which the Revised estimate of expenditure on rolling stock has risen to 93·65 crores and that on machinery to 5·84 crores, together representing an increase of 14·90 crores. The increase on the former is due mainly to the throwforward of expenditure from the previous year on rolling stock from foreign sources, the deliveries of and payments for which last year fell considerably below expectation. Another contributory factor is the extra payment of 3·7 crores made to the Tata Locomotive and Engineering Co. this year, on the basis of the Tariff Commission's report, for locomotives and boilers supplied during the first three price periods of the Government's contract with them. On the other hand, the revised estimate of expenditure on structural works is only 61·39 crores against 70·73 crores provided in the budget and that on new constructions is only 14·91 crores against 17·43 crores originally anticipated. The shortfall on these two items of 11·86 crores is due mainly to the failure of supplies of construction materials like permanent way, sleepers, structural steel, cement etc. The expenditure on new constructions would have been even lower by 1 crore but for throwforwards from last year of expenditure on the Calcutta Electrification Project and that on works would have been 3 crores lower but for the decision taken during the course of the year to buy from the Bombay Government their generating plant located in the electric traction power house of the Central Railway at Chola. Shortage of supplies has also resulted in the increase in stores and manufacturing suspense balances during the year being estimated now at only 12·39 crores against 29·54 crores anticipated in the budget. Taking all these variations into account, the revised estimate for works, machinery and rolling stock expenditure for the current year has now been placed at 178·37 crores against the net budget grant of 193 crores.

The variations from the budget grant, that is grant actually voted after making the cut for "probable savings" and excluding credits or recoveries taken outside the grant are explained below demand-wise.

Demand No. 15.—Construction of New Lines :

On the budget grant of 13·38 crores there is a saving of 1·63 crores. The shortfall is mainly due to no expenditure having been incurred on the proposed new link between Barkakana and Rourkela on the Eastern Railway and slow progress on the Tambaram-Villupuram electrification project on the Southern Railway due to delay in the finalisation of tender documents and specifications, offset by the throw-forward, already mentioned, of about a crore for payments mostly for rolling stock for the Calcutta Electrification Project.

Demand No. 16.—Open Line Works—Additions :

The budget grant under Demand 16 provided for an expenditure of 56·6 crores on Rolling Stock, 1·41 crores on Machinery and 13·18 crores on bridges and other structural works. The revised estimates are for an expenditure of 11·2 crores more on rolling stock, 43 lakhs more on machinery and 1·83 crores less under other structural works. The large increase under Rolling Stock is due partly to the throw-forward into this year of deliveries of and payments for a large number of rolling stock (10·1 crores) and partly to the extra payment made to Tata Locomotive and Engineering Co. (1·1 crores in this Demand), as explained earlier. Increased provision under machinery is based on the latest anticipations of delivery. The decrease of 1·83 crores under structural works is due to the failure of supplies of critical materials and would have been about 3 crores more but for the provision of 3 crores made in the revised estimate for on account payment to the Bombay Government towards the purchase price of their plant in the Central Railway Chola Power House, and other new items such as 5·6 lakhs for providing immediately temporary facilities at Perambur for furnishing coach shells and 2·7 lakhs for permanent facilities for the same purpose.

Substantial savings have also occurred under other heads of this demand, particularly that of 16½ crores, under Stores Suspense due to the failure of supplies to build up stocks of construction materials.

Against the credit of 6·81 crores provided in the budget on account of the transfer of the capital cost of State Railway Collieries to the Ministry of Production the actual credit is only 6·35 crores because of the revision of the post-partition provisional figure of the capital-at-charge of Railway collieries.

Demand No. 17.—Open Line Works—Replacements :

The revised estimate under grant No. 17 has been fixed at 66 lakhs less than the budget grant of 55 crores. The shortfall is mainly on Track-renewals (64 lakhs and Structural engineering works & bridges (2·93 crores). These are offset by an increase of 2·72 crores on Rolling Stock (including 2·59 crores for the extra payments to Messrs. Tata Locomotive & Engineering Co. for Locomotives and Boilers supplied to Railways on replacement account in previous years) and 19 lakhs on Machinery and plant.

Demand No. 18.—Development Fund :

The revised requirement under this demand comes to 19·46 crores against the Budget provision of 22·25 crores, involving an overall decrease of 2·79 crores. This is distributed over operating improvements (2·56 crores), new lines (91 lakhs) and Labour Welfare Works (11 lakhs), progress on all of which has been slow mainly for want of steel and other construction materials. The shortfall would have been about one and three quarters of a crore higher but for on-account payment to the Punjab Government towards the purchase price of the Amritsar Workshop taken over during the year and additional expenditure of 79 lakhs on Railway User's Amenities, such as fitting of train lighting equipment on non-equipped coaches, improvement to passenger coach fittings and improvements in catering arrangements.

Demand No. 19—Vizagapatam Port :

The control of the Vizagapatam Port has been transferred to the Ministry of Transport with effect from 1st October 1956, and against the budget estimate of 115·15 lakhs only an expenditure of 13·89 lakhs was incurred during the period from 1st April 1956 to 30th September 1956 while it was with the Railway Ministry.

Against the budget anticipation of credits of 4·89 crores for released material and the recoveries from the road authorities for part of the cost of the Ganga Bridge etc. which are adjustable in reduction of expenditure the present estimate is 4·76 crores.

BUDGET ESTIMATES 1957-58

19. Of the total allotment of 1125 crores to the Railways under the Second Five Year Plan, 178 crores is expected to be spent in the first year, and the allotment for 1957-58 the second year of the plan, has been fixed at 218 crores. The distribution of this amount over broad categories of expenditure is given below along with its tentative allocation between Capital, Depreciation Reserve Fund, Development Fund and Revenue.

(In lakhs of Rupees)

Particulars	Capital	Depreciation Reserve Fund	Development Fund	Open Line Works	Total
1. Rolling Stock (excluding stock provided as part of electrification projects)	67,64	22,78	2	6	90,50
2. Machinery and plant	2,29	2,85	..	93	6,07
3. Track Renewals	—1	25,61	64	8	26,42
4. Bridge Works	—1	2,74	22	9	3,14
5. Ganga Bridge	2,31	..	..	..	2,31
6. Traffic Facilities	26,30	1,09	9,16	4,19	40,74
7. Signalling and Interlocking works etc.	41	56	2,48	2,07	5,52
8. Workshops excluding those provided as part of electrification projects	3,34	22	4,53	1,48	9,57
9. Electrification (Electric Traction)	8,69	90	22	15	9,96
10. Staff Quarters	1,37	6	5,17	64	7,24
11. Amenities for Staff	17	13	2,34	52	3,16
12. Passenger and other Railway Users' Amenities	..	..	2,98	..	2,98
13. New Lines excluding electrification projects and Ganga Bridge project	11,49	..	3,95	..	15,44
14. Restoration of dismantled lines	58	—9	17	..	66
15. Other Structural	1,66	66	4,08	2,62	9,02
16. Purchase of Railway lines	30	..	..	..	30
17. Investment in Road Services	2,50	..	..	..	2,50
18. Increase or decrease in balances under—					
(a) Stores Suspense	14,16	..	..	..	14,16
(b) Manufacture Suspense	—1,02	..	..	..	—1,02
(c) Miscellaneous Advances	—18	..	..	..	—18
19. Credits or recoveries :					
(a) Credits for released mateials	..	—4,90	..	..	—4,90
(b) Other credits.	—90	..	..	..	—90
TOTAL	1,41,09	52,61	35,96	13,03	2,42,96
Probable Savings	—16,92	—2,88	—3,59	—1,30	—24,69
Net	1,24,17	49,73	32,37	11,73	2,18,00

Out of the net provision of 218 crores, 152 crores relate to Works in Progress or Programmed Deliveries of Rolling Stock and Machinery and the balance of 66 crores to New Works or New Acquisitions of Rolling Stock and Machinery.

20. *Rolling Stock.*—Of the proposed expenditure of 90·50 crores, 68·69 crores is against orders placed on the Rolling Stock Programmes of previous years maturing in 1957-58 (Programmed Deliveries) and the balance of 21·81 crores is against orders placed or to be placed against the Rolling Stock Programme for 1957-58 (New Acquisitions). The expenditure in each of these sections on the various types of rolling stocks is shown in the table below :—

(In lakhs of Rupees)

Particulars	Programme Deliveries	New acquisitions
Locomotives	18,89	1,90
Boilers	78	1
Carriages	21,45	5,26
Wagons	26,77	14,62
Ferries	80	2
TOTAL	68,69	21,81

(The distribution of the provision is given at pages 77—81 of Part I of the Consolidated Works, Machinery and Rolling Stock Programme of Railways.)

The 1957-58 Rolling Stock Programme (New Acquisitions) includes the following units of rolling stock :—

Particulars	To be obtained from abroad	To be obtained from indigenous sources	Total
(*a*) Locomotives—			
(*i*) Steam	56	218	274
(*ii*) Diesel	130	.	130
(*iii*) Electric	7	.	7
(*b*) Boilers (Steam)	20	70	90
(*c*) (*i*) Carriages	..	2,254	2,254
(*ii*) Rail Cars	24	..	24
(*iii*) Electric Multiple Units	68	..	68
(*d*) Wagons (in terms of 4-Wheeler)	55	17,674	17,729
(*e*) Cranes	32	..	32

21. *Machinery and Plant.*—The budget provision for 1957-58 for Machinery and Plant is 6,07 lakhs, of which 5,71 lakhs is for "Programmed Deliveries" and the balance of 36 lakhs for "New Acquisitions". Replacement of Plant and Machinery in the 1957-58 programme (New Acquisitions), is as usual, on 'condition basis', *i.e.* the items selected for replacement are those which have outlived their useful life and are beyond economic repair. For New Acquisitions, the estimated cost is 1·36 crores on replacement account of which 11 lakhs only is expected to be spent in 1957-58, and 3·79 crores on additional account of which only 25 lakhs is expected to be spent during 1957-58.

A summary of the requirements of each Railway under New Acquisitions as well as Programmed Deliveries is given at pages 82-83 of Part I of the Consolidated Works, Machinery and Rolling Stock Programme of Railways.

22. *Construction of New Lines.*—The net provision for the construction of new lines during 1957-58 (excluding credits for recoveries from the Ministry of Transport for part of the cost of the Ganga Bridge), is 25·94 crores; of this, 24·67 crores is for the works in progress and 1·27 crores for new works, as detailed below:—

(In lakhs of Rupees.)

	Expenditure upto 1956-57	Provision for 1957-58	Balance to complete	Probable date of completion
Works in progress				
1. Howrah-Burdwan Main line including Tarakeswar Branch Electrification	490·83	569·25	216·08	1958
2. Khandwa-Hingoli line (Central Railway)	356·39	300·00	233·59	1959
3. Provision of a Branch line from Bhilai to Dhalli Rajhara (South-eastern Railway)	108·84	225·00	104·54	1958
4. Provision of a Branch line from Rourkela to Dumaro (South-eastern Railway). . . .	30·00	220·00	195·00	1958
5. Provision of a new link between Baikakana-Rourkela-Phase I Phusro and Muri (Eastern Railway) .	..	200·00	200·00	Not fixed
6. Mokameh—Providing a B.G. rail-*cum*-road bridge over the Ganga (Railway portion only) . . .	634·74	189·50	325·54	Dec. 1959
7. Electrification of Tambaram to Villupuram (Main Line) Section (Southern Railway)	6·44	139·57	206·44	1959
8. Barhan to Etah line (Northern Railway)	23·00	109·21	2·00	1958
9. New Branch lines in Karanpura coalfields (Eastern Railway) . . .	..	100·00	125·00	1960
10. Quilon-Ernakulam Railway Metre Gauge (Southern Railway) . .	466·96	90·43	44·39	1957
11. Proposed B.G. Line to serve the area previously served by the Baraset-Basirhat Light Railway (Eastern Railway)	1·25	80.00	117.75	1959

	Expenditure upto 1956-57	Provision for 1957-58	Balance to complete	Probable date of completion
Works in progress—*contd.*				
12. Howrah-Burdwan Chord and Sealdah Suburban Section Electrification .	2·00	80·00	2970·20	1960
13. Branch and Assisted siding to serve Raj Nagar and West Jagra Khand collieries (Southeastern Railway) .	26·45	0·68	·18	..
14. Sanganer Town Toda—Raising Extension (Western Railway) .	117·22	0·62	1·91	Opened on 31-3-1954
15. Champa-Korba Line (South eastern Railway)	95·58	0·60	..	Opened on 20-12-1956
16. Naomundi-Banaspani line (Southeastern Railway)	45·02	52·00	34·08	1958
17. Chunar-Robertsganj construction (Northern Railway) . . .	207·64	10·81	..	Opened on 13-7-1954
18. Fatehpur-Churu line (Western Railway)	41·98	6·16	16·78	Opened in January '1957
19. Indore Dewas-Ujjain—Providing a Broad Gauge rail connection between (Western Railway) . . .	179·17	72·19	38·99	1958
20. Raniwara-Bhiladi line (Western Railway)	93·95	18 13	7·37	1958
21. Extension of the Champa-Korba line over the Hasdeo river (Southeastern Railway)	..	3·00	47·00	1959
TOTAL	..	2467·16	..	..
NEW WORKS				
Construction of Bijuri-Tagini-Koranji line with branches to coalfields Block No. 1 and Block A (Southeastern Railway)	..	25·00	715·00	..
Hirakud—construction of a bridge over the Mahanadi (Southeastern Railway) .	..	11·75	..	.
Howrah-Khargpur—Electrification of .	..	30·00	1201·00	1960
Burdwan-Asansol—Electrification of .	..	30·00	606·00	1960
Asansol-Gomoh—Electrification of . .	..	30·00	520·00	1961
TOTAL	..	126·75	..	..
GRAND TOTAL . .	..	2593·91	..	..

The Bijuri to Koranji line 125 miles in length including branches, and estimated to cost approximately Rs. 7·40 crores is proposed to be undertaken in the Central India Coalfields to open up the Bisrampur Coalfields.

23. The electrification of the 72 mile Howrah-Khargpur Section of the Southeastern Railway is proposed to be undertaken at an estimated cost of 12·31 rores to augment the suburban service on the section.

The electrification of the 66-mile Burdwan-Asansol and the 48-mile Asansol-Gomoh Sections on the Eastern Railway is proposed to be undertaken at a rough estimated cost of 6·36 and 5·50 crores respectively for the most economical development of the capacity required on this heavily worked section.

A provision of 11·75 lakhs has been included in the budget for payment to the Ministry of Irrigation and Power of the Railway share of the cost of the bridge over the Mahanadi at Hirakud in accordance with the decision of the Comptroller and Auditor General of India that the expenditure be charged to the final head in view of the fact that this bridge is to form part of the Sambalpur-Kantabanji line when it is constructed.

RESTORATION OF DISMANTLED LINES

24. A provision of 66 lakhs has been made for the restoration of dismantled lines which are already in progress. Of this, 49 lakhs is for restorations already in progress and the balance 17 lakhs is for balance of expenditure on restorations already opened for traffic.

(In lakhs of rupees.)

	Expenditure upto 1956-57	Provision for 1957-58	Balance to complete	Date on which the line was reopened for traffic or will be opened for traffic
IN PROGRESS				
Bhagalpur Mandar Hill Section (Eastern Railway)	31·09	3·80	0·64	Opened on 25-4-1955
Rohtak-Gohana portion of Rohtak-Gohana-Panipat dismantled line (Northern Railway)	10·00	39·29	..	1958
Akbarpur-Tanda Section . . .	..	10.00	2·40	1958
Balamau-Madhoganj Unnao Section (Northern Railway). . . .	94·50	8·13	..	Balamau-Madhoganj Section opened on 1-7-1953 and Unnao-Madhoganj on 5-9-54.
Utraitia-Sultanpur-Zafarabad Section (Northern Railway). . . .	232·44	4·79	..	Sultanpur-Zafarabad opened on 27-11-1954 and the remaining section on 23-6 55
TOTAL		66·01		

25. *Track Renewals.*—A provision of 26·42 crores has been made for Track Renewals in the Budget for 1957-58, of which 10·60 crores is for works in progress and 15·82 crores is for new works to be commenced in the budget year.

26. *Other Open Line Works.*—The net provision for other open Line Works is 82·54 crores, about three-fourths of which is for works for operating improvements, including works for augmenting line capacity to handle the increasing level of traffic, and the balance mainly for passenger amenities staff quarters, amenities for staff and bridge works as shown in the table below:—

(In lakhs of rupees.)

	Capital	D.R.F.	D.F.	Revenue (Demand No. 13)	Revenue (Demand No. 14)	Total
I. Bridge Works.—						
(a) Works in Progress	—1	2,11	18	..	11	2,39
(b) New Works.	..	63	4	..	8	75
II. Operating Improvements—						
(a) Works in Progress	25,00	2,60	13,63	..	6,08	47,31
(b) New Works	6,82	62	6,84	..	4,43	18,71
III. Staff Quarters—						
(a) Works in Progress	1,32	5	4,31	32	..	6,00
(b) New Works	5	1	86	32	..	1,24
IV. Staff Amenities—						
(a) Works in Progress	17	10	1,56	22	..	2,05
(b) New Works	..	3	78	30	..	1,11
V. Users' Amenities—						
(a) Works in Progress	..	..	2,18	..	..	2,18
(b) New Works	..	..	80	..	..	80
SUMMARY—						
(a) Works in Progress	26,48	4,86	21,86	54	6,19	59,93
(b) New Works	6,87	1,29	9,32	62	4,51	22,61
GRAND TOTAL	33,35	6,15	31,18	1,16	10,70	82,54

The new works costing between 20 lakhs and one crore are listed in section (a) and the important works in progress in section (b) of Appendix I to this memorandum.

New Works.—Full details of the works proposed to be taken up during 1957-58 are given in the individual Railway's consolidated Works Programmes. Works costing Rs. 1 crore or more are detailed below broadly classified according to the purpose which they are designed to serve.

	(In lakhs of rupees)	
	Anticipated cost	Outlay proposed for 1957-58
(a) WORKS FOR ENHANCING LINE AND YARD CAPACITY IN ORDER TO MOVE INCREASE IN TRAFFIC CONNECTED WITH NEW STEEL PLANTS AND INCREASE IN OUTPUT OF COAL.		
(i) Additions and alterations to Moghalsariai Yard Phase I (Eastern Railway)	1,15	15
(ii) Doubling Moradabad—Khanalampura Section (Northern Railway)	3,53	1,07
(iii) Doubling of B.G. track from Bapatla to Tenali—26½ miles from 220¼ to 247 (North East Line) (Southern Railway)	1,22	33
(iv) Partial doubling and realignment of track-from Dani shpet to Bomidi—17 miles from mile 180¼ to 192¼ along new alignment (South West line) (Southern Railway)	1,62	51
(v) Doubling of the B.G. track from Ponpadi to Vepa Janta (11.74) miles along new alignment from miles 55 to 65 (North West Line) (Southern Railway)	1,75	76
(vi) Doubling of B.G. track from Pudi to Puttur (13.75) miles along new alignment from mile 69½ to 78 (North West Line) (Southern Railway) .	1,37	54
(vii) Additions and alterations to yard facilities at Adityapur and Tatanagar for dealing with 2 million ton production of TISCO (Southern Railway) .	1,78	70
(viii) Remodelling the yard at Ahmedabad (Western Railway)	1,50	2
(b) EXPANSION OF WORKSHOPS AND LOCO SHEDS TO KEEP PACE WITH THE INCREASE IN ROLLING STOCK HOLDINGS.		
(i) Remodelling of Dibrugarh workshop . .	1,50	1

Some important sections on which the line capacity is proposed to be augmented are:—

(1) Katni—Bina section on the Central Railway.

(2) Moradabad—Khanalampura section on the Northern Railway.

(3) Katihar—Barsoi section on the North-eastern Railway.

(4) Arkonam—Renigunta section on the Southern Railway.

(5) Jalarpet—Erode section on the Southern Railway.

(6) Bezwada—Waltair section on the Southern Railway .

(7) Palasa and Vizianagram section on the South-eastern Railway.

(8) Gangapur—Bayana Agra East Bank section of the Western Railway.

The list of works each costing between 5 and 20 lakhs is given on pages 60—75 of Part I of the "Consolidated Works, Machinery and Rolling Stock Programmes".

27. *Investment in Road Services.*—A provision of 2.50 crores is proposed for investment in Road Services during 1957--58. A statement showing the investments made in 1956-57 is given on page 59 of the programme.

28. *Purchase of Railway lines.*—A provision of 30 lakhs has been included in the Budget for the purchase of the Kalighat-Falta Railway.

29. *Stores, Manufacture and Miscellaneous Advances Suspense.*—A provision of 12.96 crores has been made to cover an increase of 14.16 crores in stores balances, offset by a small reduction in manufacture and Miscellaneous Advances suspense. The increase of 14.16 crores under stores is partly for building up stocks of general purposes stores in view of the increased holdings of Rolling Stock in the Second Five Year Plan period and partly for building up stocks in Construction Depots.

30. Credits for released materials to the extent of 4.9 crores are expected to be adjusted in the accounts of the budget year but these are excluded from the scope of the demand. In addition a credit of 41.67 lakhs from the Ministry of Transport towards the recovery of the cost of the rail facilities provided in the Kandla Port Area has also been provided in the budget.

31. The distribution of the total estimated expenditure of 218 crores during 1957-58 on the Works, Machinery and Rolling Stock Programme of the Railways by demands is as follows:—

Demand No. 13—Labour Welfare	1,03,33,000
Demand No. 14—Other than Labour Welfare	10,69,05,000
Demand No. 15—Construction of New Lines	19,87,42,000
Demand No. 16—Additions	95,82,77,000
Demand No. 17—Replacements	58,20,47,000
Demand No .18—Development Fund	32,36,96,000
TOTAL	2,18,00,00,000

32. For further particulars of the budget estimate for expenditure chargeable to Capital, Depreciation Reserve Fund, Development Fund and Open Line Works—Revenue, a reference is invited to the Consolidated Works, Machinery and Rolling Stock Programme of Railways.

J. DAYAL,

Financial Commissioner for Railways.

NEW DELHI;
Dated 19*th March* 1957.

APPENDIX I

(a) **The New Works costing between 20 lakhs and one crore for which funds have been provided in 1957-58 are:—**

(Figures in lakhs of rupees)

S. No.	Description of Work	Anticipated cost	Provision for 1957-58	Balance to complete work
	CENTRAL RAILWAY			
1.	Remodelling of the yard at Secunderabad	25	3	22
2.	Remodelling of the yard at Kazipet	22	2	20
3.	Remodelling of the Gwalior Station	21	2	19
4.	Provision of a new yard in Katni area	99	3	96
5.	Expansion of the Signal and Telecommunication Workshop at Mettuguda	23	3	20
6.	Reorganization of Stores Depot at Parel	35	5	30
	EASTERN RAILWAY			
7.	Extension of loops to hold 70 wagons between Sahibganj and Kiul	21	6	15
8.	A new yard at Ondal for the Durgapur Steel Plant including a fly-over junction to deal with the additional traffic in connection with this Plant (excludes deposit portion of the cost *viz.* 110 lakhs)	37	14	23
9.	Avoiding line from Damodar Station to Kalipahari to avoid Asansol Yard and alterations to Kalipahari Yard.	70	10	60
10.	Automatic Signalling on the Gujhandi to Gurpa section of 14 miles on the Grand Chord between Gomoh and Gaya	41	5	36
11.	Additions and alterations to Patherdih Yard . .	21 R 1	4	17
	NORTHERN RAILWAY			
12.	Marshalling yard at Tughlakabad	85	60	25
13.	Lengthening of loops and dead ends at Tundla . .	20	8	12
14.	Providing power signalling in station yard at Delhi Main	30	.1	29.9
15.	Providing an additional block of offices for the Northern Railway Headquarters Office in Baroda House premises, New Delhi.	31	18	13
	NORTHEASTERN RAILWAY			
16.	Remodelling of Chupra Yard	21	2	19
17.	Doubling of Katihar-Barsoi Section	87	19	68
18.	Provision of simultaneous reception facilities between Mariani-Tinsukia and Remodelling of Simalaguri Yard	24	12	12

S. No.	Description of work	Anticipated cost	Provision for 1957-58	Balance to complete work
19.	Remodelling of Katihar Yard	80	4	76
20.	Remodelling of Tinsukia Yard	35	4	31
21.	Regirdering of Elgin Bridge 17 × 200′ at mile 440/22 Gonda-Burhwal Section	50	·1	49.9
	SOUTHERN RAILWAY			
22.	Laying a diversionary line Hamsavaram Bank from Mile 417 to 421 (6.32 miles along the new alignment)	38	26	12
23.	Doubling of B.G. track from Ongole to Surareddipalem —6½ miles from mile 174 to 180½ (North East Line)	29	20	9
24.	Regrading and alignment between Kalipatti Road and Mavelipalaiyam— 6 miles from mile 223¼ to 227¼ (South West Line)	55	55	..
	SOUTHEASTERN RAILWAY			
25.	Increasing line capacity of Khurda Road.—Nergundi section by provision of Panel Interlocking and Tokenless working between Nergundi and Retang and doubling the Retang-Khurda Road Section . . .	80	22	58
26.	Third reception lines at Naupada, Sigadam, Garividi, Nellimarla, Srikakulam Road, Amarda Road, Haldipara and Tapang	24	16	8
27.	New Millwright shop.—Khargpur Workshops . .	24	8	16
28.	Provision of automatic signalling between Sini and Rajkharswan	25	10	15
	WESTERN RAILWAY			
29.	Remodelling the yard at Sawai Modhopur . .	24	5	19
30.	Providing an auxiliary terminus at Jogeshwari .	20	10	10
31.	Remodelling the yard at Jaipur	55	5	50
32.	Remodelling of Palanpur Goods Marshalling Yard	46	3	43
33.	Increase in track capacity between Kalol and Mehsana	22	4	18
34.	Providing a New Loco Shed at Rajkot .	23	3	20
35.	Providing panel interlocking along with tokenless block working on Ratlam-Kotah section	42	1	41
36.	Proposed augmentation of the capacity of the Traction sub-stations at Grant Road, Bandra and Kandivli	34	25	9
37.	Remodelling the Loco Workshop at Dohad . .	28	5	23

APPENDIX I

(b) The important items under works in progress costing more than 20 lakhs each for which funds have been provided in 1957-58 are:—

(Figures in lakhs of rupees)

S. No.	Description of work	Latest anticipated cost	Approximate expenditure to end of 1956-57	Provision for 1957-58	Balance to complete work
	CENTRAL RAILWAY				
1	Kalyan Power House Extension . .	3,05	2,80	5	20
2	Kalyan Power House —Providing 18 M.W. Plant	70	20	35	15
3	Kurla Trombay Rail facilities for Oil Refineries	76 R.3.	62	3	11
4	Wadi Bunder—Provision of additional transhipment facilities	28	16	5	7
5	Bhusawal Up Yard—Remodelling and Mechanisation	39	10	6	23
6	Bhusawal —Itarsi Section—Provision of increased crossing facilities at . .	21	6	4	11
7	Itarsi —Remodelling of the Yard . .	58	10	5	43
8	Kalyan—Remodelling of the Yard . .	52	14	5	33
9	Wadi.—Remodelling of the Yard . .	23	7	3	13
10	Jhansi.—Provision of additional yard facilities	26	7	4	15
11	Mathura-Delhi Section.—Doubling of the remaining portion	1,99	52	90	57
12	Bhopal-Ujjain Section.—Strengthening of major bridges Parbati, Newas and Kalisindh	20	5	15	..
13	Jhansi-Manikpur Section.—Strenghening of major bridges between Khairar and Manikpur—2 spans of 100' and 1 span of 250 feet	47	20	12	15
14	Kurla Station —Provision of automatic block system with colour light signals on	25	7	4	14
15	Victoria Terminus.—Additional office accommodation	28	16	10	2
16	Balharshah-Kazipet Section.— Interlocking and provision of additional traffic facilities at 12 Stations	35	12	8	15
17	Bhandup-Thana.—Provision of colour light signalling	23	7	7	9

(Figures in lakhs of rupees

S. No.	Description of work	Latest anticipated cost	Approximate expenditure to end of 1956-57	Provision in 1957-58	Balance to complete work
	CENTRAL RAILWAY—concld.				
18	Bhusawal-Jalgaon Section.—Provision of automatic signalling . . .	26	9	8	9
19	Bhusawal.—Provision of a Railway Training School	30	10	9	11
20	Jhansi Workshops.—Increasing repair facilities and provision of two turbo alternators 1500 K.V. capacity to meet the increased power load . . .	1,73	6	6	1,61
21	Matunga.—Release of shop No. 8 for wagon repairs and building a new office for stores department . . .	24	4	5	15
22	Itarsi—Auxiliary Fabrication Shop .	20	5	3	12
23	Equipping Trailer Coaches with dynamos and batteries to improve the ratio of equipped coaches	25	2	2	21
	EASTERN RAILWAY				
24	Fly-over crossing for goods line between Lillooah Sorting Yard and Howrah Goods over the Southeastern Railway Main Line and alterations to Goods Yard connected therewith to facilitate operation and prevent hold up to Goods Traffic	55	1	10	44
25	Burdwan.—Extension of certain receiving and marshalling lines of both Up and Down Yards and extension of loops.etc. on the Sahibganj Loop to accommodate 70 wagons load between Burdwan and Sahibganj	48	26	10	12
26	Howrah.—Provisions of additional goods shed facilities and yard in the area between Banaras Bridge and Tikiapara Foot-over Bridge just east of the present main line	58	..	3	55
27	Additional lines at Bhurkunda—One Line, Hendegir—Two lines, Khalari-Two Lines McCluskieganj-Two Lines, Tori-One Line, Latehar—Two Lines, Kumandih —One Line, Chipadohar—one line	24	1	7	16
28	Asansol.—Remodelling of Yard .	41	..	1	40
29	Barwadih.—6 Additional lines in the yard and extension of loco yard and shed .	24	2	7	15
30	Provision of third line from mile 5/B to East Dock Junction . . .	23	17	6	..
31	Provision of additional facilities at Jhajha, Kiul junction, Mankatha, Burhee, Dinapore, Buxar, Moghalsarai, in connection with movement of additional traffic on Main Line by November' 55 .	45	35	2	8

(Figures in lakhs of rupees)

S. No.	Description of work	Latest anticipated cost	Approximate expenditure to end of 1956-57	Provision in 1957-58	Balance to complete work
	EASTERN RAILWAY—*concld.*				
32	Ondal.—Remodelling of Yard . .	2,33 R.3	4	10	2,19
33	Sealdah.—Replacement of temporary quarters (other than in Calcutta Area) by type II quarters, 303 units .	25	13	7	5
34	Howrah.—Provision of additional coaching stabling and washing lines to improve operation and to cater for the increased traffic anticipated in the next five years	51	2	8	41
35	Sakrigali—Manihari Ghat.—Development of B.G.—M. G. Transhipment facilities, at	40	36	1	3
36	Dhanbad.—Provision of Training School for Operating and Commercial Departments	32	5	10	17
	NORTHERN RAILWAY				
37	Dilkush and Utraitia.—Doubling between	25	23	2	..
38	Kanpur—Unnao Section.—Doubling of.	49	13	30	6
39	Moradabad.—Khana Lampura Section—Doubling—(First Phase) . . .	25	15	10	..
40	Lucknow Charbagh.—Modernisation of Loco Shops, Charbagh . . .	55	39	15	1
41	Kanpur—Allahabad Section.—Doubling of (60 miles)	2,61 R.1	30	90	1,41
42	Allahabad.—Providing a new station building	37	18	10	9
43	Kanpur—Ghaziabad Section.—Lengthening of loops on	53	25	11	17
44	Subedarganj—Provision of Coaching goods, non-Periodical Overhaul shed and Yard	31	2	7	22
45	Lucknow.—Charbagh Loco shops—Provision of combined Technical Training School with necessary equipment for Apprentice Mechanics including Apprentice Train Examiners and Transportation Power Staff, etc. with adjoining hostels and staff quarters . . .	23	1	8	14
46	Phaphamau.—Provision of a Bridge Workshop	25	2	3	20
47	Delhi-Rewari M.G. Section between Delhi Sarai-Rohilla and Garhi-Harsaru Stations—Doubling of . . .	73	35	37	1

(Figures in lakhs of rupees)

S. No.	Description of work	Latest antici-pated cost	Approxi-mate expendi-ture to end of 1956-57	Provision in 1957-58	Balance to complete work
	NORTHERN RAILWAY—*concld.*				
48	Phapahmau.—Provision of Stores depot at	26	..	14	12
49	New Delhi.—Providing two additional wings to the new block of offices in Baroda House at	29	22	7	..
50	Amritsar.—Provision of B.G. Loco repair facilities on the ex-E.P. Railway Section	3,45	1,20	1,28	97
51	Delhi Area.—Providing 400 unit type II double storeyed quarters for foreign Railway Staff transferred to Northern Railway as a result of regrouping .	33	20	9	4
	NORTHEASTERN RAILWAY				
52	Manduadih.—Works required in connection with stepping up transhipment facility from 120 BG to 200 BG wagons per day	23	18	3	2
53	Alipurduar.—Construction of new station, goods and marshalling yard and loco shed with necessary staff quarters in connection with junction arrangements	1,51 ARLP 9	1,14 9	12	25
54	Clutterbuckganj.—Providing sleeper creosoting yard with plants etc. at .	37	33	1	3
55	Sonepur-Hajipur.—Replacing the existing Gandak Bridge (8 × 250′) by a new double line bridge with extra clearance for navigation	1,78	15	60	1,03
56	Barauni Junction.—Providing an engine shed in replacement of the present shed at	70	2	10	58
57	Banaras—Manduadih.—Provision of a new running shed in replacement of the present running shed . .	33	3	9	21
58	Gorakhpur.—Development of the Colony in connection with expansion of the Colony at	38	1	5	32
59	Gonda.—Remodelling of station yard at .	41	4	12	25
60	Gorakhpur.—Remodelling of station yard at	24	1	15	8
61	Izatnagar.—Extension of Mechanical Workshop at	1,86	11	30	1,45
62	Gorakhpur.—Remodelling of Loco Shed at	28	21	7	..
63	Gorakhpur.—Construction of Head-quarters building at	47	1	25	21

(Figures in lakhs of rupees)

S. No.	Description of work	Latest anticipated cost	Approximate expenditure to end of 1956-57	Provision in 1957-58	Balance to complete work
	SOUTHERN RAILWAY				
64	Jalarpet Junction.—Remodelling of yard	28	7	7	14
65	Bezwada Junction.—Remodelling of yard (North East Line)	86 R. 3	34	17	35
66	Renigunta-Gudur Section.—Conversion into Broad Gauge (North East Line)	2,18 R.13	1,21	69	28
67	Olavakkot Junction. Proposed lay-out for creosoting plant .	23	13	6	4
68	Podanur Junction.—Proposed Central Signal and Tele-Communication Workshops	26	2	15	9
69	Guntakal.—Remodelling of M.G. yard .	24	3	12	9
70	Gadag-Sholapur Branch.—Regirdering to BL standard 100 ft. spans of bridges Nos. 8 (12 × 100 ft. girders) and 76 (8 × 100 ft. girders) . .	21	5	5	11
71	Gadag-Sholapur Branch.—Regirdering Bridge No. 63 to BL standard 21 × 150 ft. spans	29	1	5	23
72	Bezwada.—Construction of 180 units type II, 8 units type III, 8 units type IV, 5 units type IV (Special) and 2 units type V quarters for essential class III staff and officers in connection with the Divisionalisation of the Railway .	29	12	2	15
73	Olavakkot.—Construction of 275 units type II, 25 units type III and 4 units type IV quarters for Class III staff in connection with the Divisionalisation of the Railway	27	16	5	6
74	Guntakal.—Construction of 290 units type II, 20 units type III and 6 units type IV Quarters for essential Class III staff in connection with the introduction of Divisional System	27	12	3	12
75	Arkonam-Tiruppattur Section.—Doubling between Mukundarayapuram and Latteri (15 miles).	91 R.2	6	35	50
76	Arkonam-Tiruppattur Section.—Doubling between Vinnamangalam and Tiruppattur (19 1/2 miles) . .	1,28 R.1	5	20	1,03
77	Arkonam Tiruppattur Section.—Doubling between Arkonam and Chitteri (5 miles)	22	9	10	3
78	Madras-New General Offices.—Provision of multi-storeyed air conditioned building	48	1	15	32

(Figures in lakhs of rupees)

S. No.	Description of work	Latest anticipated cost	Approximate expenditure to end of 1956-57	Provision in 1957-58	Balance to complete work
	SOUTHERN RAILWAY—*concld.*				
79	Tenali-Gudur Section.—Doubling between Ulavapadu and Surrenddipalem (17 miles)	1,46	15	40	91
80	Tenali-Gudur Section.—Doubling between Kadavakuduru and Bapatla (19 1/2 miles)	76	20	30	26
81	Hubli Workshops.—Remodelling of .	92	10	30	52
82	Tiruvarur Junction.—Remodelling of .	28	19	7	2
	SOUTHEASTERN RAILWAY				
83	Doubling Rourkela—Drug Stage I .	19,28	1,75	6,00	11,53
84	New marshalling yard at Bhillai .	2,50	20	52	1,78
85	New marshalling yard at Rourkela .	2,50	20	55	1,75
86	Rourkela-Monoharpur Section.—Doubling of the section between . .	1,26 R. 2	1,08	16	2
87	Doubling of Rajkharswan-Barajamada section	3,96 R. 23	1,59	1,24	1,13
88	Doubling Sini-Kandra Section .	47 R. 1	16	30	1
89	Doubling of Anara-Joychandipahar-Burnpur section	1,53 R. 3 Deposit 1	1,48	2	3
90	Doubling of Sini-Gomharria Section .	47 R. 1	39	6	2
91	Birmitrapur Branch.—Improvement of track and rebuilding of Koel Bridge .	37 R. 5	10	19	8
	WESTERN RAILWAY				
92	Godhra-Ratlam.—Doubling the track between	8,50	90	3,50	4,10
93	Baroda Anand.—Doubling the track between	1,00	10	50	40
94	Ahmedabad-Kalol.—Doubling the track between	96	86	10	..
95	Asarva.—Remodelling the yard at .	38	20	16	2
96	Sabarmati.—Remodelling the yard at .	1,58	1,04	50	4
97	Ratlam.—Remodelling the marshalling yard at	67	51	10	6

(Figures in lakhs of rupees)

S. No.	Description of work	Latest anticipated cost	Approximate expenditure to end of 1956-57	Provision in 1957-58	Balance to complete work
	WESTERN RAILWAY—*contd.*				
98	Shamgarh-Gangapur Section.—Extending the loops to standard length for 70 wagons at 31 stations . . .	22	5	5	12
99	Ajmer.—Remodelling of Loco Shops at .	45	11	20	14
100	Ajmer.—Replacing the existing generating plant in Ajmer Power House and improvements to Power Supply at . .	31	18	10	3
101	Replacement of undersized dynamos and batteries	25	16	9	..
102	Churchgate.—Remodelling the yard at	62 R. 3	44	15	3
103	Junagadh-Veraval Section.—Replacing the existing (7 × 100' and 3 × 134'—8" clear span) weak and corroded girders of Ozat bridge at mile 244-7 by new ones of strength upto M.G.M.L. standard on the	25 R. 4	..	5	16
104	Metre Gauge.—Providing dynamo and battery equipment in 156 non-equipped coaches on the	25	20	5	..
105	Bombay.—Providing 150 beds hospital at	53	9	8	36
106	Godhra.—Remodelling the yard at .	40	18	12	10
107	Mehsana.—Remodelling the yard at .	36	10	19	7
108	Phulera.—Remodelling the yard at .	50	18	10	22
109	Bandra-Borivli.—Works required in connection with the intensification of suburban traffic between . .	37	27	10	..
110	Kotah.—Providing a new wagon repairs shop at	2,46	7	53	1,86
111	Mahalaxmi.—Remodelling of wagon shop at	32	6	12	14
112	Sabarmati.—Providing a bridge and point and crossing workshop at	50	10	20	20
113	Sabarmati.—Providing Central Workshops for manufacture of Signalling and Interlocking materials	25	5	15	5
114	Ajmer—Remodelling of carriage and wagon shops at	1,08	8	20	80

(Figures in lakhs of rupees)

S. No.	Description of work	Latest anticipated cost	Approximate expenditure to end of 1956-57	Provision in 1957-58	Balance to complete work
	WESTERN RAILWAY—*concld.*				
115	Udaipur.—Providing a permanent Training school at	62	35	24	3
116	Churchgate (Bombay).—Providing Office accommodation at	63	20	20	23
117	Baroda.—Works required in connection with Divisionalisation at . . .	38	19	8	11
118	Ratlam.—Works required in connection with Divisionalisation at . . .	33	15	14	4
119	Kotah.—Works required in connection with Divisionalisation at . . .	24	10	7	7
120	Jaipur.—Works required in connection with Divisionalisation at . . .	36	20	13	3
121	Rajkot.—Works required in connection with Divisionalisation at . . .	48	24	9	15
122	Bhavnagar.—Works required in connection with Divisionalisation at . .	22	12	7	3
123	Sabarmati.—Providing a new General Stores Depot at	30	10	15	5
	OTHER WORKS				
124	Expansion of Chittaranjan Locomotive Works	2,50	11	1.00	1,39
125	Integral Coach Factory, Perambur . .	7.35	5,84	92	59
126	Providing immediate facilities required for furnishing Coach Bodies at Perambur	21	6	14	1
127	Providing a permanent furnishing unit for Integral Coach Body Shells . .	3,70	3	80	2,87

APPENDIX II

APPENDIX

Passenger and other Railway

Railways	Water supply at stations, par cel offices and goods shed premises, including overhead watering arrangements and purification plants installed for Railway users, water coolers, electric or otherwise, water trollies etc.	Provision of Retiring Rooms and waiting accommodation including reinforced cement concrete and other types of benches at stations, parcel offices, goods sheds etc. including extension or improvements to existing waiting arrangements.	Refreshment Rooms and vendors stalls of all descriptions at stations, parcel offices, goods sheds etc.	Provision or improvement of latrines at stations, parcel offic goods sheds etc.	Raising, extending, widening, surfacing, covering, or other improvements on platforms at stations including provision of seats, hedges, shade trees on platforms at stations, parcel offices and goods sheds etc.	Provision of new over-bridges or subways and extensions, improvements and covering of existing over-bridges or subways within station premises to correct platforms or offices at stations, parcel offices, goods sheds, etc.	Provision of bathing facilities at stations.	Provision or improvements to approaches and circulating areas at stations, parcel offices, goods sheds etc., including improved lighting, tonga-car-cycle-rickshaw stands, sheds for bullock and other carts, water troughs, etc.
1	2	3	4	5	6	7	8	9
Central . .	2,00	4,00	2,00	1,50	12,00	1,50	1,00	3,00
Eastern . .	2,38	3,54	..	50	8,74	1,82	..	..
Northern . .	5,14	9,07	..	1,62	10,77	8,56	59	1,36
Northeastern .	3,79	3,22	86	85	11,52	1,12	30	48
Southern . .	1,25	6,12	97	1,93	1 0,73	..	65	19
Southeastern .	5,80	5,64	20	1,60	6,80	40	30	25
Western . .	1,50	7,50	50	1,75	15,10	1,00	50	2,00
TOTAL .	21,86	39,09	4,53	9,75	75,66	14,40	3,34	7,28

II

User's Amenities, 1957-58

(Figures in thousands of rupees)

Improvement to existing carriages such as provision of fans, improved lighting and lavatories generating equipments, refrigerators in dining cars, special insulation in roofs, better fittings in carriages, bigger water tanks in carriages, better fittings etc.	Improved lighting and provision of fans on platforms or in waiting halls and sheds or vendor stalls at stations, parcel offices, goods sheds etc.	Washable aprons on passenger platform lines.	Opening of new flag stations or conversion of halts into flag stations.	Exhibition of sheet time table in glass fronted frames at stations.	Works provided in connection with melas.	Any other work considered essential for meeting the requirement of Railway users at any station, *e.g.*, better sitting or improvements or additions to Booking Offices, Parcel or goods Delivery Windows, provision of information offices or Kiosks, improved arrangements for dealing with luggage, self-printing or Ticket Issuing Machines, provision of public announcement system etc.	Total
10	11	12	13	14	15	16	17
6,00	1,00	10	90	20	..	5,00	40,20
8,39	70	..	34	..	..	3,49	29,90
10,17	2,99	3,84	30	..	60	4,68	59,69
8,80	3,16	1,63	40	9	..	8,78	45,00
9,11	2,10	..	50	..	..	10,65	44,20
5,90	1,80	..	..	..	..	52	29,21
12,54	2,10	..	..	..	..	5,51	50,00
60,91	13,85	5,57	2,44	29	60	38,63	2,98,20

APPENDIX

Amenities for

WORKS

Railways	New Hospitals dispensaries and additions and improvements to existing ones	New Schools and additions, alterations and improvements to existing ones	New Institutes, Rest houses, Sports Grounds and Reading rooms and improvements and additions to existing ones	Provision and improvement of health and welfare works, child welfare and maternity centres, cooling arrangements for workshops, canteens and Rest Rooms for workmen	Provision and improvement of sanitation, water supply, road-lighting and marketing facilities in Railway Colonies	Provision for Officers Quarters	Improvements and alterations to existing quarters of whatever type
1	2	3	4	5	6	7	8
Central . .	11,60	..	3,77	4,40	31,97	6,39	10,00
Eastern . .	4,96	25	1,58	8,14	13,47	..	11,14
Northern . .	9,58	8	3,41	5,44	11,10	2,30	3,87
Northeastern . .	5,15	1,10	90	..	19,55	7,69	3,00
Southern . .	23,08	..	2,65	5,10	12,25	3,20	6,00
Southeastern . .	3,66	30	60	1,60	9,87	3,64	3,74
Western . .	25,78	50	5,22	4,64	9,56	9,38	1,00
Integral Coach Factory . .	..	..	..	..	..	..	..
Chittaranjan Locomotive Works .	32	8	22	96	15,74	..	68
TOTAL .	84,13	2,31	18,35	30,28	1,23,51	32,60	39,43

III

Staff in 1957-58

(Figures in thousands of rupees)

				OTHER SERVICES					
Quarters for Class III staff	Quarters for Class IV staff	Other Works	Total	Medical expenses	Health & Welfare Services	Education	Canteen and other staff amenities	Total	Grand Total
9	10	11	12	13	14	15	16	17	18
48,19	43,17	10,76	1,70,25	32,68	42,56	46,84	4,23	1,26,31	2,96,56
34,49	39,37	6,60	1,20,00	24,69	41,85	15,37	3,17	85,08	2,05,08
45,17	29,86	15,39	1,26,20	28,19	47,07	27,46	3,84	1,06,56	2,32,76
83,97	53,86	..	1,75,22	29,34	51,41	34,39	3,90	1,19,04	2,94,26
39,99	30,81	1,92	1,25,00	31,67	25,47	10,36	2,89	70,39	1,95,39
34,18	32,18	57,59	1,47,36	20,59	54,22	18,36	2,16	95,33	2,42,69
61,67	17,95	4,30	1,40,00	35,12	23,22	26,75	3,22	88,31	2,28,31
..	..	1,23	1,23	1	90	11,28	2	12,21	
19,00	..	..	37,00	4,89	..	2,03	..	6,92	43,92
3,66,66	2,47,20	97,79	10,42,26	2,07,18	2,86,70	1,92,84	23,43	7,10,15	17,52,41

APPENDIX IV

CAPITAL AND DEPRECIATION RESERVE FUND EXPENDITURE ON OPEN LINES AND NEW CONSTRUCTIONS DURING 1957-58

(Figures in thousands of rupees)

Railways	OPEN LINES						NEW CONSTRUCTIONS					
	Rolling Stock		Other Items		Total		Lines in Progress		New Lines		Total	
	Capital	Depreciation Fund	Capital	Depreciation Fund	Capital	Depreciation Fund	Capital	Depreciation Fund	Capital	Depreciation Fund	Capital	Depreciation Fund
Central	65,57	68,77	6,71,28	5,13,76	7,36,85	5,82,53	3,00	..	..	..	3,00	..
Eastern	1,34,43	30,57	3,82,57	2,74,54	5,17,00	3,05,11	3,80,00	..	..	..	3,80,00	..
Northern	65,15	22,90	5,86,31	3,53,45	6,51,46	3,75,45	1,67,63	—8,98	..	..	1,67,63	—8,98
Northeastern	1,54,33	1,12,39	2,35,70	3,87,91	3,90,03	5,00,30	..	..	..	..	..	..
Southern	1,56,65	87,53	6,50,96	5,04,85	8,17,61	5,92,38	1,29,12	13,88	..	..	1,29,12	13,88
Southeastern		43,81	12,29,06	4,57,91	12,50,80	5,01,72	5,01,28	..	36,75	..	5,38,03	..
Western	75,01	56,88	10,01,17	4,77,21	10,76,18	5,34,09	66,22	..	..	..	66,22	..
Chittaranjan Locomotive Works	..	..	—74,09	1,28	—74,09	1,28	..	..	..	..	..	..
Integral Coach Factory (Perambur)	..	..	4,05,52	..	4,05,52	..	..	..	..	..	..	..

Calcutta Electrification Project . .	..	..	..	..	..	..	6,42,25	7,01	90,00	..	7,32,25	7,01
Ganga Bridge	..	..	..	..	..	..	1,89,50	..	..	..	1,89,50	..
Loco Component Works (Banaras) .	..	..	5,00	..	5,00	..	..	..	..	..	..	..
Metre Gauge Coach Factory (Bareilly)	..	..	5,00	..	5,00	..	..	..	..	..	..	..
Railway Board	60,91,33	18,56,34	..	..	60,91,33	18,56,34	..	..	..	..	..	..
Purchase price of Kalighat—Falta Railway	..	..	30,00	..	30,00	..	..	..	..	..	..	..
TOTAL . .	67,64,30	22,78,29	51,38,48	29,70,91	1,19,02,78	52,49,20	20,79,00	11,91	1,26,75	..	22,05,75	11,91
Probable Savings	..	..	..	..	-14,61,79	—2,86,95	..	..	..	..	—2,29,64	—60
TOTAL—OPEN LINES AND NEW CONSTRUCTIONS .	..	..	..	..	1,04,40,99	49,62,25	..	..	..	..	19,76,11	11,31

APPENDIX V

DEVELOPMENT FUND EXPENDITURE ON OPEN LINES AND NEW CONSTRUCTIONS DURING 1957-58

(Figures in thousands of rupees)

Railways	Open Line Works			New Constructions and Restorations		
	Works in Progress	New Works	Total	Lines in Progress	New Lines	Total
Central . . .	2,85,06	79,37	3,64,43	2,97,00	..	2,97,00
Eastern . . .	1,87,80	48,83	2,36,63	3,80	..	3,80
Northern . .	4,25,73	1,09,23	5,34,96	23,58	..	23,58
Northeastern . .	3,87,54	1,42,28	5,29,82	..	..	..
Southern . .	3,65,36	2,91,57	6,56,93	87,00	..	87,00
Southeastern . .	1,32,11	77,37	2,09,48	..	..	..
Western . .	4,62,32	1,90,67	6,52,99	..	..	..
TOTAL .	22,45,92	9,39,32	31,85,24	4,11,38	..	4,11,38
Probable Savings .	..	..	—3,18,52	...	..	—41,14
Net .	22,45,92	9,39,32	28,66,72	4,11,38	..	3,70,24

APPENDIX VI

CAPITAL-AT-CHARGE OF INDIAN GOVERNMENT RAILWAYS ETC.

(Figures in lakhs of rupees)

	Railways	1955-56	1956-57	1957-58
1	Central	182,15	201,75	208,02
2	Eastern	134,44	142,60	150,55
3	Northern	149,69	165,00	171,97
4	Northeastern	101,71	117,46	120,67
5	Southern	133,02	144,13	152,43
6	Southeastern	100,10	112,73	128,40
7	Western	125,77	140,57	150,52
8	Chittaranjan Locomotive Works . . .	22,36	19,45	18,37
9	Integral Coach Factory (Perambur) . . .	6,59	9,18	12,92
10	State Railway Collieries	6,81	..	..
11	Railway Board and other Miscellaneous items . .	90	2,87	57,70
12	Mokameh—Providing B. G. Rail-*cum*-Road Bridge over the Ganga at—	4,56	6,33	8,00
13	Calcutta Electrification	88	4,93	11,52
14	Locomotive Components Works—Banaras .	..	3	8
15	Metre Gauge Coach Factory Bareilly	..	..	5
	TOTAL . . .	968,98	1067,03	1191,20

NOTE 1.—The figures against the Eastern, Northern and Northeastern Railways include the estimated capital-at-charge of the portions of the Ex-Assam Railway, Ex-Eastern Punjab Railway and late Bengal Assam Railway.

In 1956-57, the capital-at-charge of the various railways has been reduced without financial adjustment to the extent of 4·14 crores on account of the revision of the *ad hoc* balances on 15-8-1947 consequent on various accounting adjustments since effected in prepartition accounts (1-4-1947 to 14-8-1947).

NOTE 2.—The capital-at-charge of States lines amalgamated with Government Railways during 1949-50 and of worked lines which vested in the Centre from 1-4-1950, which has been added to the capital of the respective Railways of which they now form part is still provisional. In 1956-57 the capital-at-charge of Southern Railway has been reduced without financial adjustment by 1·62 crores due to downward adjustment of the capital-at-charge of the Ex-Mysore State Railway.

APPENDIX VII

CENTRAL RAILWAY

Statement of Revenue Receipts and Expenditue

(Figures in thousands of rupees)

	Actuals, 1954-55	Actuals, 1955-56	* Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate 1957-58
Traffic Earnings—					
(*a*) Coaching—					
(*i*) Passengers—					
Upper	2,35,71	2,68,20	2,35,00	2,65,00	2,80,00
Third	16,38,03	17,00,00	17,87,00	17,50,00	17,96,00
(*ii*) Other Coaching	5,43,99	5,69,46	5,77,00	5,75,00	6,21,00
(*b*) Goods	31,65,58	36,71,72	42,39,00	41,42,35	43,73,35
(*c*) Sundry Other Earnings	1,19,04	1,36,03	1,11,00	1,78,00	1,97,00
TOTAL	57,02,35	63,45,41	69,49,00	69,10,35	72,67,35
Suspense	1,35	27,71	..	..	—5,00
Gross Traffic Receipts*	57,03,70	63,73,12	69,49,00	69,10,35	72,62,35
Working Expenses—					
Ordinary Working Expenses—					
(*i*) Administration	4,45,58	4,83,84	5,42,58	5,21,55	4,59,15
(*ii*) Repairs and Maintenance	12,41,17	13,34,28	13,99,37	14,20,01	13,31,08
(*iii*) Operating Staff	7,55,77	8,35,43	9,45,18	8,77,47	8,62,93
(*iv*) Operation (Fuel)	4,20,27	4,09,41	4,93,67	5,58,43	8,66,52
(*v*) Operation other than Staff and Fuel	3,06,94	2,89,84	2,49,63	2,09,01	2,74,59
(*vi*) Miscellaneous Expenses	2,87,09	2,24,48	2,13,53	2,73,10	2,90,62
(*vii*) Labour Welfare	67,89	87,97	97,21	1,06,17	1,26,31
	35,24,71	36,65,25	39,41,17	39,65,74	42,11,20
Suspense	54,73	67,78	15,61	—10,28	—5,31
Total—Ordinary Working Expenses	35,79,44	37,33,03	39,56,78	39,55,46	42,05,89

Appropriation to Depreciation Reserve Fund	5,95,57	8,86,29	8,74,01	8,84,33	8,86,40
Payments to Worked Lines as share of earnings	7,51	8,22	8,03	7,61	7,40
Total Working Expenses	41,82,52	46,27,54	48,38,82	48,47,40	50,99,69
Net Traffic Receipts	15,21,18	17,45,58	21,10,18	20,62,98	21,62,66
Miscellaneous Transactions—					
(a) Receipts—					
(i) Guarantee recoverable from State Governments for unremunerative lines			..	..	..
(ii) Other receipts from subsidised companies	90	1,32	1,73	1,28	1,21
(iii) Miscellaneous Railway Receipts	9	11	2	3	2
Total Receipts*	99	1,43	1,75	1,31	1,23
(b) Expenditure—					
(i) Rebate	..	..	..	..	..
(ii) Land	..	..	..	..	..
(iii) Surveys	1,92	3,19	5,57	8,11	6,41
(iv) Open Line Works—Revenue	87,67	95,10	1,63,40	1,40,79	1,65,63
Total Expenditure	89,59	98,29	1,68,97	1,48,90	1,72,04
Net Miscellaneous Receipts	—88,60	—96,86	—1,67,22	—1,47,59	—1,70,81
Net Revenue	14,32,58	16,48,72	19,42,96	19,15,36	19,91,85
Dividend to General Revenues	6,74,10	6,87,03	7,27,54	7,58,77	8,02,64
Profit (+) and loss (—) for the year	7,58,48	9,61,69	12,15,42	11,56,59	11,89,21
*Includes receipts of Worked Lines	15,18	15,04	14,60	13,91	13,45

APPENDIX VII—*contd.*

EASTERN RAILWAY

Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

	Actuals, 1954-55 (A)	Actuals, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
Traffic Earnings—					
(*a*) Coaching—					
(*i*) Passengers—					
Upper	2,17,03	1,28,81	1,39,00	1,39,00	1,45,00
Third	17 22,55	11,45,34	11,10,00	12,31,00	12,66,75
(*ii*) Other Coaching	4,41,59	2,24,18	2,52.00	2,24,00	2.84,00
(*b*) Goods	51,61,54	31,42,71	39,31,00	35,34,56	37,32,96
(*c*) Sundry Other Earnings	1,39,67	91,30	98,00	1,10,00	1,35,00
Total	76,55,38	47,32,34	55,30,00	52,38,96	55,63,71
Suspense	4.96	—28,13	..	—10,00	—5,00
Gross Traffic Receipts	76,60,34	47,04,21	55,30,00	52,28,96	55,58,71
Working Expenses—					
Ordinary Working Expenses—					
(*i*) Administration	8,05,60	5,06,77	5,39,83	5,68,11	4,78,68
(*ii*) Repairs and Maintenance	21,54,99	13,91,97	13,89,74	14,81,77	11,91,61
(*iii*) Operating Staff	11,94,76	7,80,25	7,96,17	8,43,73	7,20,06
(*iv*) Operation (Fuel)	1,47,72	(—)88,37	—1,19,48	—23,49	4,32,38
(*v*) Operation other than Staff and Fuel	1,90,36	87,80	15,93	—85,00	1,15,22
(*vi*) Miscellaneous Expenses	5,81,13	2,76,62	2,37,39	3,17,53	3,15,93
(*vii*) Labour Welfare	1,23,32	70,51	74,47	77,40	85,08
Total	51,97,87	30,25,55	29,34,05	31,80,05	33,38,96
Suspense	25,49	—16,11	—6,42	—2,70	—1,07
Total Ordinary Working Expenses	52,23,36	30,09,44	29,27,63	31,77,35	33,37,89

Appropriation to Depreciation Reserve Fund	7,81,66	6,65,00	6,66,37	6,52,72	6,26,51
TOTAL WORKING EXPENSES . . .	60,05,02	36,74,44	35,94,00	38,30,07	39,64,40
Net Traffic Receipts . .	16,55,32	10,29,77	19,36,00	13,98,89	15,94,31
Miscellaneous Transactions—					
(a) Receipts—					
(i) Guarantee recoverable from State Governments for unremunerative lines	..	..	..	..	..
(ii) Other receipts from subsidised companies . .	4	..	..	2	..
(iii) Miscellaneous Railway Receipts	38	13	8	10	5
TOTAL RECEIPTS . . .	42	13	8	12	5
(b) Expenditure—					
(i) Land	7	7	7	8	..
(ii) Surveys	—7	—30	2,36	5,32	5,24
(iii) Open Line Works—Revenue	70,91	49,17	98,19	95,12	1,35,49
TOTAL EXPENDITURE . . .	70,91	48,94	1,00,62	1,00,52	1,40,73
Net Miscellaneous Receipts . .	—70,49	—48,81	—1,00,54	—1,00,40	—1,40,68
Net Revenue	15,84,83	9,80,96	18,35,46	12,98,49	14,53,63
Dividend to General Revenues	8,81,42	5,15,72	5,51,66	4,04,75	5,70,51
Profit (+) and loss (—) for the year	7,03,41	4,65,24	12,83,80	8,93,74	8,83,12

(A) The Actuals 1954-55 represent the transaction of the Ex-Eastern Railway which was split into the new Eastern and South Eastern Railways with effect from 1-8-1955.

APPENDIX VII—*contd.*

SOUTHERN RAILWAY

Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

	Actuals, 1954-55	Actuals, 1955-56	Budget Estmate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
Traffic Earnings—					
(*a*) Coaching—					
(*i*) Passengers—					
Upper	1,99,55	2,30,98	2,12,00	2,20,00	2,30,00
Third	16,90,68	18,26,04	18,64,00	19,50,00	20,05,75
(*ii*) Other Coaching	2,38,65	2,82,65	2,88,00	2,59,00	3,28,00
(*b*) Goods	20,63,02	25,67,27	26,67,00	28,46,55	30,03,55
(*c*) Sundry Other Earnings	93,09	1,02,50	1,22,00	1,15,00	1,19,00
Total	42,84,99	50,09,44	51,53,00	53,90,55	56,86,30
Suspense	1,15	2,39	2,00	—4,00	—5,00
Gross Traffic Receipts	42,86,14	50,11,83	51,55,00	53,86,55	56,81,30
Working Expenses—					
Ordinary Working Expenses—					
(*i*) Administration	4,82,33	5,08,72	5,73,82	5,65,02	5,15,41
(*ii*) Repairs and Maintenance	10,33,39	11,67,09	13,10,71	13,09,87	12,23,03
(*iii*) Operating Staff	7,44,17	8,02,53	8,58,75	8,54,09	8,16,87
(*iv*) Operation (Fuel)	2,90,34	3,03,68	3,12,22	3,56,74	6,52,56
(*v*) Operation other than Staff and Fuel	1,68,72	1,33,43	1,28,08	1,17,46	1,83,02
(*vi*) Miscellaneous Expenses	2,33,68	2,13,07	2,20,15	2,59,25	2,55,33
(*vii*) Labour Welfare	74,12	78,27	92,04	92,37	1,06,56
Total	30,26,75	32,06,79	34,95,77	35,54,80	37,52,78
Suspense	13,31	—12,43	—14,40	13,86	13,65
Total Ordinary Working Expenses	30,40,06	31,94,36	34,81,37	35,68,66	37,66,43

Appropriation to Depreciation Reserve Fund	4,90,10	7,28,29	7,40,28	7,26,75	7,24,92
Payments to Worked Lines as share of earnings	.	..	..	..	..
Total Working Expenses	35,30,16	39,22,65	42,21,65	42,95,41	44,91,35
Net Traffic Receipts	7,55,98	10,89,18	9,33,35	10,91,14	11,89,95
Miscellaneous Transactions—					
(*a*) Receipts—					
(*i*) Guarantee recoverable from State Governments for unremunerative lines	.	..	..	..	.
(*ii*) Other receipts from subsidised companies	3	86	45	2,05	1,17
(*iii*) Miscellaneous Railway Receipts	1,22	1,33	1,00	1,57	2,21
Total Receipts	1,25	2,19	1,45	3,62	3,38
(*b*) Expenditure—					
(*i*) Rebate	.	..	..	..	..
(*ii*) Land		..	..	..	..
(*iii*) Surveys	—23	65	5,14	5,02	1,38
(*iv*) Open Line Works—Revenue	98,72	1,36,30	2,46,54	2,37,76	2,39,93
Total Expenditure	98,49	1,36,95	2,51,68	2,42,78	2,41,31
Net Miscellaneous Receipts	—97,24	—1,34,76	—2,50,23	—2,39,16	—2,37,93
Net Revenue	6,58,74	9,54,42	6,83,12	8,51,98	9,52,02
Dividend to General Revenues	5,38,59	5,55,65	6,01,10	6,05,00	6,47,31
Profit (+) and loss (—) for the year	1,20,15	3,98,7[illegible]	82,02	2,46,98	3,04,71

APPENDIX VII—*contd.*

NORTHEASTERN RAILWAY

Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

	Actuals, 1954-55	Actuals, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
Traffic Earnings—					
(*a*) Coaching—					
(*i*) Passengers—					
Upper	82,04	90,18	86,00	1,05,00	1,10,00
Third	10,18,86	10,55,83	11,70,00	11,85,00	12,19,00
(*ii*) Other Coaching	1,15,93	1,10,24	1,35,00	1,24,00	1,57,00
(*b*) Goods	10,80,90	11,53,94	13,87,00	15,25,89	16,10,89
(*c*) Sundry Other Earnings	50,63	77,59	65,00	76,00	86,00
Total	23,48,36	24,87,78	28,43,00	30,15,89	31,82,89
Suspense	—23,00	77,04	—22,00	—25,00	—20,00
Gross Traffic Receipts*	23,25,36	25,64,82	28,21,00	29,90,89	31,62,89
Working Expenses—					
Ordinary Working Expenses—					
(*i*) Administration	3,92,86	4,15,59	4,38,42	4,59,22	4,10,08
(*ii*) Repairs and Maintenance	8,67,87	9,08,59	8,67,09	9,23,75	9,43,04
(*iii*) Operating Staff	5,09,38	5,57,71	5,71,93	6,19,41	6,67,29
(*iv*) Operation (Fuel)	2,26,86	2,59,67	2,60,80	3,04,08	3,46,21
(*v*) Operation other than Staff and Fuel	1,50,45	1,34,18	1,35,42	1,62,49	1,89,20
(*vi*) Miscellaneous Expenses	2,14,99	1,64,14	1,83,81	1,88,46	2,04,12
(*vii*) Labour Welfare	64,19	72,56	85,71	1,02,36	1,19,04
Total	24,26,60	25,12,44	25,43,18	27,59,77	28,78,98
Suspense	97,00	2,76	—37,71	—58,33	—38,07
Total Ordinary Working Expenses	25,23,60	25,15,20	25,05,47	27,01,44	28,40,91

Appropriation to Depreciation Reserve Fund	3,10,81	4,84,42	4,89,23	4,93,79	5,16,05
Payment to Worked Lines as share of earnings	2,47	2,58	2,54	2,85	3,27
Total Working Expenses	28,36,88	30,02,20	29,97,24	31,98,08	33,60,23
Net Traffic Receipts	—5,11,52	—4,37,38	—1,76,24	—2,07,19	—1,97,34
Miscellaneous Transactions—					
(a) Receipts—					
(i) Guarantee recoverable from State Governments for unremunerative lines	..	..	..	..	..
(ii) Other receipts from subsidised companies	—16	—2	13	16	28
(iii) Miscellaneous Railway Receipts	..	..	1	1	1
Total Receipts*	—16	—2	14	17	29
(b) Expenditure—					
(i) Rebate	9	10	9	..	..
(ii) Surveys	44	56	1,78	2,03	6,55
(iii) Open Line Works—Revenue	69,10	92,37	72,22	97,22	1,15,17
Total Expenditure	69,63	93,03	74,09	99,25	1,21,72
Net Miscellaneous Receipts	—69,79	—93,05	—73,95	—99,08	—1,21,43
Net Revenue	—5,81,31	—5,30,43	—2,50,19	—3,06,27	—3,18,77
Dividend to General Revenues	3,60,26	3,82,49	3,99,66	4,37,21	4,69,61
Profit (+) and loss (—) for the year	—9,41,57	—9,12,92	—6,49,85	—7,43,48	—7,88,38
*Includes receipts of worked lines	4,93	5,15	5,08	6,02	6,54

APPENDIX VII—*contd.*

SOUTHERN RAILWAY

Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

	Actuals, 1954-55	Actuals, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
Traffic Earnings—					
(*a*) Coaching—					
(*i*) Passengers—					
Upper	1,95,52	2,56,42	2,25,00	2,45,00	2,65,00
Third	15,72,89	16,26,10	17,19,00	17,75,00	18,16,00
(*ii*) Other Coaching	3,33,59	3,67,05	3,59,00	3,64,00	4,02,00
(*b*) Goods	20,64,94	23,70,62	25,95,00	25,41,29	26,83,29
(*c*) Sundry Other Earnings	1,30,32	1,26,75	1,01,00	1,30,00	1,34,00
Total	42,97,26	47,46,94	49,99,00	50,55,29	53,00,29
Suspense	27,55	46,66	..	.	—5,00
Gross Traffic Receipts*	43,24,81	47,93,60	49,99,00	50,55,29	52,95,29
Working Expenses—					
Ordinary Working Expenses—					
(*i*) Administration	4,41,04	4,58,53	4,99,23	4,98,49	4,44,03
(*ii*) Repairs and Maintenance	9,79,78	10,83,65	11,74,74	11,60,72	12,01,92
(*iii*) Operating Staff	7,85,05	8,27,03	8,61,76	8,49,93	8,68,90
(*iv*) Operation (Fuel)	7,57,28	8,02,12	8,31,20	8,85,69	10,51,90
(*v*) Operation other than Staff and fuel	1,41,90	1,50,83	1,75,07	1,65,27	1,93,78
(*vi*) Miscellaneous Expenses	2,79,31	2,50,10	2,50,11	2,81,06	2,76,02
(*vii*) Labour Welfare	52,10	59,59	65,60	65,56	70,39
Total	34,36,46	36,31,85	38,57,71	39,06,72	41,06,77
Suspense	—41,36	—1,03,64	—24,09	—57,95	—17,55
Total Ordinary Working Expenses	33,95,10	35,28,21	38,33,62	38,48,77	40,89,22

Appropriation to Depreciation Reserve Fund	4,24,24	6,47,62	6,47,49	6,45,79	6,33,24
Payments to Worked Lines as share of earnings	14,21	15,69	9,67	20,80	20,39
Total Working Expenses	38,33,55	41,91,52	44,90,78	45,15,36	47,42,85
Net Traffic Receipts	4,91,26	6,02,08	5,08,22	5,39,93	5,52,44
Miscellaneous Transactions—					
(a) Receipts—					
(i) Guarantee recoverable from State Governments for unremunerative lines	..	..	1,05	4,58	92
(ii) Other receipts from subsidised companies	..	1	..	..	..
(iii) Miscellaneous Railway Receipts	2	6	1	4	4
Total Receipts*	2	7	1,06	4,62	96
(b) Expenditure—					
(i) Rebate	..	..	..	..	..
(ii) Surveys	3,62	5,28	6,01	5,69	12,21
(iii) Open Line Works—Revenue	74,71	81,74	1,58,18	1,06,38	1,62,49
Total Expenditure	78,33	87,02	1,64,19	1,12,07	1,74,70
Net Miscellaneous Receipts	—78,31	—86,95	—1,63,13	—1,07,45	—1,73,74
Net Revenue	4,12,95	5,15,13	3,45,09	4,32,48	3,78,70
Dividend to General Revenues	4,83,19	4,99,31	5,33,07	5,01,83	5,76,72
Profit (+) and Loss (—) for the year	—70,24	+15,82	—1,87,98	—69,35	—1,98,02

*Includes receipts of Worked Lines	41,45	40,47	26,26	39,29	39,29

APPENDIX VII—*contd.*

SOUTHEASTERN RAILWAY

Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

	Actuals 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
Traffic Earnings—				
(*a*) Coaching—				
(*i*) Passengers—				
Upper	84,10	82,00	90,00	95,00
Third	5,68,41	6,21,00	6,95,00	7,14,00
(*ii*) Other Coaching	2,24,61	2,77,00	2,74,00	2,88,00
(*b*) Goods	23,11,07	25,91,00	29,16,79	30,78,79
(*c*) Sundry Other Earnings	51,53	43,00	55,00	56,00
TOTAL	32,39,72	36,14,00	40,30,79	42,31,79
Suspense	—82,20	..	—36,00	—10,00
Gross Traffic Receipts	31,57,52	36,14,00	39,94,79	42,21,79
Working Expenses —				
Ordinary Working Expenses—				
(*i*) Administration	3,64,01	3,88,55	3,87,46	3,57,76
(*ii*) Repairs and Maintenance	9,57,17	9,81,39	10,18,34	9,49,10
(*iii*) Operating Staff	5,23,90	5,52,18	5,45,62	5,29,13
(iv) Operation (Fuel)	1,83,55	2,17,12	1,97,32	3,82,60
(*v*) Operation other than Staff and Fuel	1,03,37	59,51	81,68	1,28,94
(*vi*) Miscellaneous Expenses	1,78,94	1,73,89	1,95,24	2,00,75
vii) Labour Welfare	73,70	77,59	84,75	95,33
TOTAL	23,84,64	24,50,23	25,10,41	26,43,61
Suspense	4,44	6,21	—1,01	14,96
Total Ordinary Working Expenses	23,89,08	24,56,44	25,09,40	26,58,57

Appropriation to Depreciation Reserve Fund	4,89,68	4,68,46	4,85,99	4,95,28
Total Working Epxenses	28,78,76	29,24,90	29,95,39	31,53,85
Net Traffic Receipts	2,78,76	6,89,10	9,99,40	10,67,94
Miscellaneous Transactions—				
(a) Receipts—				
(i) Guarantee recoverable from State Governments for unremunerative lines	..	..	..	..
(ii) Other receipts from subsidised companies	..	..	..	..
(iii) Miscellaneous Railway Receipts	45	12	10	10
Total Receipts	45	12	10	10
(b) Expenditure—				
(i) Land	..	..	..	..
(ii) Surveys	3,74	8,96	3,49	69
(iii) Open Line Works—Revenue	40,94	1,56,58	64,92	1,61,72
Total Expenditure	44,68	1,65,54	68,41	1,62,41
Net Miscellaneous Receipts	—44,23	—1,65,42	—68,31	—1,62,31
Net Revenue	2,34,53	5,23,68	9,31,09	9,05,63
Dividend to General Revenues	3,81,20	3,95,07	4,03,07	4,56,34
Profit (+) and loss (—) for the year	—1,46,67	1,28,61	5,28,02	4,49,29

APPENDIX VII—*contd.*

WESTERN RAILWAY

Statement of Revenue Receipts and Expenditure

(Figures in thousands of rupees)

	Actuals, 1954-55	Actuals, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
Traffic Earnings—					
(a) Coaching—					
(i) Passengers—					
Upper	2,03,96	2,26,46	2,21,00	2,36,00	2,50,00
Third	14,84,71	15,64,04	16,69,00	16,64,00	17,07,50
(ii) Other Coaching	2,77,53	3,08,39	2,92,00	3,20,00	3,20,00
(b) Goods	23,32,76	28,11,01	31,40,00	31,42,17	33,17,17
(c) Sundry Other Earnings	68,39	95,63	1,00,00	71,00	83,00
TOTAL	43,67,35	50,05,53	54,22,00	54,33,17	56,77,67
Suspense	10,06	18,43	10,00	..	—10,00
Gross Traffic Receipts	43,77,41	50,23,96	54,32,00	54,33,17	56,67,67
Working Expenses—					
Ordinary Working Expenses—					
(i) Administration	3,87,27	4,14,85	4,68,43	4,55,07	4,02,01
(ii) Repairs and Maintenance	9,66,52	10,24,44	11,49,04	11,11,61	11,79,47
(iii) Operating Staff	5,83,61	6,46,54	7,01,43	6,75,63	7,35,69
(iv) Operation (Fuel)	4,83,04	4,88,10	5,00,04	4,79,28	6,64,61
(v) Operation other than Staff and Fuel	1,67,31	1,19,09	1,66,98	1,41,52	2,22,82
(vi) Miscellaneous Expenses	1,86,88	1,89,66	1,87,70	1,87,11	2,01,67
(vii) Labour Welfare	44,27	60,02	70,16	71,92	88,31
TOTAL	28,18,90	29,42,70	32,43,78	31,22,14	34,94,58
Suspense	6,63	—16,94	5,06	19,82	—8,03
TOTAL—ORDINARY WORKING EXPENDITURE	28,25,53	29,25,76	32,48,84	31,41,96	34,86,556

Appropriation to Depreciation Reserve Fund	3.97.65	5.98.70	6.14.16	6.10.63	6.17.60
Payments to Worked Lines as share of earnings	—2.87	..	.	.	..
TOTAL—WORKING EXPENSES	32.20.28	35.24.46	38.63.00	37.52.59	41.04.15
Net Traffic Receipts	11.57.12	14.99.50	15.69.00	16.80.58	15.63.52
Miscellaneous Transactions—					
(a) Receipts—					
(i) Guarantee recoverable from State Governments for unremunerative lines	.	..	.		
(ii) Miscellaneous Railway Receipts	28	13	17	8	8
TOTAL—RECEIPTS	28	13	17	8	8
(b) Expenditure—					
(i) Land	.	..	.	..	..
(ii) Surveys	94	3,80	5,62	4,21	1,76
(iii) Open Line Works—Revenue	90,33	101,36	1,87,38	1,82,29	1,91,95
TOTAL—EXPENDITURE	91,27	1,05,16	1,93,00	1,86,50	1,93,71
Net Miscellaneous Receipts	—90.99	—1,05,03	—1,92,83	—1,86,42	—1,93,63
Net Revenue	10.66.14	13.94.47	13.76.17	14.94.16	13.69.89
Dividend to General Revenues	4,53.11	4.63.53	5.11,10	5.13.71	5,52.78
Profit (+) and Loss (—) for the year	6.13.03	9.30.94	8,65.07	9.80.45	8,17.11

APPENDIX VII—*concld.*

Statement of Receipt and Expenditure of Indian Government of Railways,
1957-58

(Figures in thousands of rupees)

	Actuals, 1953-54	Actuals, 1954-55	Actuals, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
Traffic Earnings—						
(a) Coaching—						
(i) Passengers—						
Upper	11,69,80	11,33,81	12,85,15	12,00,00	13,00,00	13,75,00
Third	88,29,96	91,27,72	94,85,76	99,40,00	1,02,50,00	1,05,25,00
(ii) Other Coaching	18,01,07	19,24,28	20,86,58	21,80,00	21,40,00	24,00,00
(b) Goods	147,18,16	158,68,74	180,28,34	2,05,50,00	2,06,50,00	2,18,00,00
(c) Sundry Other Earnings	5,17,47	6,01,14	6,81,33	6,40,00	7,35,00	8,10,00
TOTAL	270,36,46	286,55,69	315,67,16	345,10,00	350,75,00	369,10,00
Suspense	3,92,81	22,07	61,90	—10,00	—75,00	—60,00
Gross Traffic Receipts*	274,29,27	286,77,76	316,29,06	345,00,00	350,00,00	368,50,00
Working Expenses—						
Ordinary Working Expenses—						
(i) Administration	27,87,66	29,54,68	31,52,31	34,50,86	34,54,92	30,67,12
(ii) Repairs and Maintenance	68,08,56	72,43,72	78,67,19	82,72,08	84,26,07	80,19,06
(iii) Operating Staff	43,39,81	45,72,74	49,73,39	52,87,40	52,65,88	52,00,89
(iv) Operation (Fuel)	23,98,14	23,25,50	23,58,16	24,95,57	27,58,05	43,96,78
(v) Operation other than Staff and Fuel	13,95,87	11,25,68	10,18,54	9,30,62	7,92,43	13,07,57
(vi) Miscellaneous Expenses	18,64,34	17,83,08	14,97,01	14,66,58	17,01,75	17,44,44
(vii) Labour Welfare	4,03,30	4,25,89	5,02,62	5,62,78	6,00,53	6,91,02
TOTAL	199,97,68	204,31,29	213,69,22	224,65,89	229,99,63	224,26,88
Suspense	1,49,53	1,55,80	—74,14	—55,74	—96,59	—41,42
TOTAL—ORDINARY WORKING EXPENSES	201,47,21	205,87,09	212,95,08	224,10,15	229,03,04	243,85,46
Appropriation to Depreciation Reserve Fund	30,00,00	30,00,00	45,00,00	45,00,00	45,00,00	45,00,00

Payments to Worked Lines as share of earnings	28,03	21,32	26,49	20,24	31,26	31,06
TOTAL—WORKING EXPENSES	231,75,24	236,08,41	258,21,57	269,30,39	274,34,30	289,16,52
Net Traffic Receipts	42,54,03	50,69,35	58,07,49	75,69,61	75,65,70	79,33,48
Miscellaneous Transactions—						
(a) Receipts—						
(i) Guarantee recoverable from State Governments for unremunerative lines	..	..	..	1,05	4,58	92
(ii) Other receipts from subsidised companies	3,76	81	2,17	2,31	3,51	2,66
(iii) Miscellaneous Railway Receipts	27,17	1,99	2,22	1,47	35,18	12,59
TOTAL—RECEIPTS	30,93	2,80	4,39	4,83	43,27	16,17
(b) Expenditure—						
(i) Rebate	..	9	10	9	..	..
(ii) Subsidy	6,81	7,41	5,16	7,55	6,46	11,25
(iii) Land	7	7	7	7	8	..
(iv) Surveys	—52	7,87	17,14	35,44	37,11	34,44
(v) Miscellaneous Railway Expenditure	1,49,14	1,59,13	1,58,48	1,82,99	1,76,69	2,09,74
(vi) Open Line Works—Revenue	4,37,98	4,91,44	5,96,98	10,82,49	9,24,48	11,72,38
TOTAL—EXPENDITURE	5,93,48	6,66,01	7,77,93	13,08,63	11,44,82	14,27,81
Net Miscellaneous Receipts	—5,62,55	—5,63,21	—7,73,54	—13,03,80	—11,01,55	—14,11,64
NET Revenue	36,91,48	44,06,14	50,33,95	62,65,81	64,64,15	65,21,84
Dividend to General Revenues	34,35,77	34,96,00	36,11,86	39,66,44	37,69,15	43,78,73
Profit for the year	2,55,71	9,10,14	14,22,09	22,99,37	26,95,00	21,43,11

*Includes receipts of Worked Lines	86,82	61,56	60,66	45,94	59,22	59,28

APPENDIX VIII

Depreciation Reserve Fund

(In lakhs of rupees)

Year	Appropriation to Fund	Withdrawals towards renewals and replacements	Net accretion to Fund during the year	Nominal closing balance	Temporary loans to meet deficit	*Actul closing balance
1924-25	10,35	7,29	3,06	3,06	.	3,06
1925-26	10,76	7,99	2,68	5,74	..	5,74
1926-27	10,89	8,05	2,84	8,58	..	8,58
1927-28	11,38	10,95	43	9,01	.	9,01
1928-29	12,00	9,60	2,40	11,41		11,41
1929-30	12,59	11,76	83	12,24		12,24
1930-31	13,07	11,39	1,68	13,92	..	13,92
1931-32	13,46	8,26	5,20	19,12	4,25	14,87
1932-33	13,77	6,35	7,42	26,54	10,23	12,06
1933-34	13,56	8,07	5,49	32,03	7,96	9,59
1934-35	13,72	8,66	5,06	37,09	5,06	9,59
1935-36	13,26	9,16	4,10	41,19	4,00	9,69
1936-37	13,17	7,88	5,29	46,48	—1,21	16,19
1937-38	12,59	(a)7,69	4,90	(b)49,90	..	(b)19,61
1938-39	12,56	7,08	5,48	55,38		25,09
1939-40	12,59	6,53	6,06	61,44	..	31,15
1940-41	12,64	7,19	5,45	66,89	..	36,60
1941-42	12,68	5,35	7,33	74,22	—7,91	51,84
1942-43	(c)12,80	4,95	7,85	82,07	(d)—22,38	82,07
1943-44	16,87	6,64	10,23	92,30	..	92,30

*The closing balances from 1933-34 to 1941-42 include Rs. 9 lakhs on account of Loans to Branch Line Companies and those from 1937-38 to 1941-42 also include Rs. 31 lakhs on account of Investments in Branch Line Shares. In 1942-43 these amounts were transferred to the Railway Reserve Fund Investment Account.

(a) Includes 32 lakhs written off capital on account of abandoned assets.

(b) Excludes 1,48 lakhs, balance for Burma Railway.

(c) Includes 23 lakhs transferred from Bengal and North Western and Rohilkund and Kumaon Railways' Renewal suspense.

(d) Includes 6,30 lakhs transferred from the Railway Reserve Fund.

APPENDIX VIII—*concld.*

Depreciation Reserve Fund

(In lakhs of rupees)

Year	Appro-priation to Fund	With-drawals towards renewals and repla-cements	Net accretion to Fund during the year	Nominal closing Balance	Tempo-rary loans to meet deficit	* Actual closing balance
1944-45	17,01	8,18	8,83	(f) 1,02,21	.	(f) 1,02,21
1945-46	(e) 17,25	12,01	5,24	1,07,45	.	1,07,45
1946-47	13,21	12,37	84	1,08,29	.	1,08,29
1947-48 (1-4-47 to 14-8-1947).	6,86	2,66	4,20	(g) 1,12,49	.	(g) 1,12,49
1947-48 (15-8-47 to 31-3-1948).	6,81	3,27	3,54	(h) 95,74		(h) 95,74
1948-49	(i) 23,11	17,28	5,83	1,01,57		1,01,57
1949-50	19,17	11,73	7,44	1,09,01		1,09,01
1950-51	33,59	26,63	6,96	(j) 1,23,65		(j) 1,33,65‡
1951-52	(k) 33,79	35,87	—2,08	1,22,02		(l) 1,22,02‡
1952-53	(m) 34,42	40,89	—6,47	1,16,36	..	(n) 1,16,36‡
1953-54	(o) 33,97	38,02	—4,05	1,12,79		(p) 1,12,79‡
1954-55	(q) 33,72	45,82	—12,10	1,00,69		(p) 1,00,69‡
1955-56	(r) 48,67	45,89	2,78	1,03,47		(p) 1,03,47‡
1956-57 (Revised Estimates)	(s) 48,93	45,72	3,21	(t) 1,03,08		(t) 1,03,08‡
1957-58 (Budget Estimates)	(u) 49,06	49,74	—68	1,02,40		1,02,40‡

(e) Includes 20 lakhs recovered from the Bengal and North Western Company on account of over-age rolling stock.

(f) Includes 1,08 lakhs transferred from Renewal Reserve Fund for permanent way and rolling stock of the Bengal, Nagpur, Madras and Southern Maharatta and South Indian Railways.

(g) Includes 20,30 lakhs, the estimated balance relating to Pakistan Railway.

(h) Excludes 20,30 lakhs, the estimated share less 1·19 lakhs on account of abandored assets relating to Pakistan Railways.

(i) Includes 11,80 lakhs appropriated from the surplus.

(j) Includes 7,67 lakhs (Provisional) on account of Indian States Railways taken over from 1-4-1950. Difference of 1 is due to rounding.

(k) Includes 3,58 lakhs on account of interest on the balance and 21 lakhs on account of contribution relating to Chittaranjan Locomotive Works.

(l) Includes 8,12 lakhs (Provisional) on account of *ex*-Indian States Railways taken over from 1-4-1950.

(m) Includes 4,09 lakhs on account of interest on the balance and 33 lakhs on account of contribution relating to Chittaranjan Locomotive Works.

(n) Includes 8,93 lakhs on account of *ex*-Indian States Railways taken over from 1-4-1950.

(o) Includes 3,61 lakhs on account of interest on balance and 36 lakhs on account of contribution relating to Chittaranjan Locomotive Works.

(p) Includes 9,41 lakhs on account of *ex*-Indian States Railways taken over from 1-4-1950.

(q) Includes 3,35 lakhs on account of interest on balance and 37 lakhs on account of contribution relating to Chittaranjan Locomotive Works.

(r) Includes 3,26 lakhs on account of interest on balance and 41 lakhs on account of contribution relating to Chittaranjan Locomotive Works.

(s) Includes 3,30 lakhs on account of interest on balance and 63 lakhs on account of contribution relating to Chittaranjan Locomotive Works and Integral Coach Factory.

(t) Excludes 3,60 lakhs on account of difference between *ad hoc* and revised balances on 15-8-1947 and interest thereon.

(u) Includes 3,38 lakhs on account of interest on balance and 68 lakhs on account of contribution relating to Chittaranjan Locomotive Works and Integral Coach Factory.

‡These figure are provisional as the balances of the *ex*-States Railways merged therein have not yet been finalised.

APPENDIX IX

Revenue Reserve Fund

(In lakhs of rupees)

Year	Appropriation to Fund	Withdrawal from Fund	Net accretion to Fund during the year	Closing balance*
1924-25	6,38	(a) 38	6,00	6,00
1925-26	3,79	..	3,79	9,79
1926-27	1,49	..	1,49	11,28
1927-28	4,57	..	4,57	15,85
1928-29	2,58	..	2,58	18,43
1929-30	..	2,08	—2,08	16,35
1930-31	..	10,93	—10,93	5,42
1931-32	..	4,95	—4,95	47
1932-33	..	..		47
1933-34	..	..	..	47
1934-35	..	..	..	47
1935-36	.	.	..	47
1936-37	..	.	..	47
1937-38	(b) 1		1	48
1938-39	..	..	..	48
1939-40		..	.	48
1940-41	(c) 6,31	90	5,41	5,89
1941-42	.	—90	90	6,79
1942-43	8,86	(d) 6,30	2,56	9,35
1943-44	13,20		13,20	22,55
1944-45	17,89	2,96	14,93	37,48
1945-46	6,20	5,55	65	38,13
1946-47	(b) 13	(e) 15,25	—15,12	(f) 32,02

*The closing balance includes 47 lakhs from 1925-26 to 1936-37, 48 lakhs from 1937-38 to 1939-40, 43 lakhs from 1940-41 to 1941-42, 83 lakhs from 1942-43 to 1943-44, 90 lakhs in 1944-45, 83 lakhs in 1945-46, 52 lakhs in 1946-47, 26 lakhs from 1947-48 to 1950-51, 28 lakhs in 1951-52, 40 lakhs in 1952-53, 46 lakhs in 1953-54, 50 lakhs in 1954-55, 51 lakhs in 1955-56, 58 lakhs in 1956-57 and 44 lakhs in 1957-58 on account of investments in shares of and loans to branch line companies.

(a) Represents amount utilised to write down the difference between the book values and the current market price of stores.

(b) Includes Rs 1 lakh profit realised on investment in branch line shares cancelled.

(c) Includes Rs. 1 lakh profit realized on cancellation of investments in branch line shares.

(d) Transferred to Depreciation Reserve Fund.

(e) Includes Rs. 12 crores transferred to Betterment Fund (now Development Fund).

(f) Difference of 1 is due to rounding.

APPENDIX IX—*concld.*

Revenue Reserve Fund

(In lakhs of rupees)

Year	Appropriation to Fund	Withdrawal from Fund	Net accretion to Fund during the year	*Closing balance
1947-48 (1-4-47 to 14-8-47)	..	(g) 13,60	—13,60	9,42
1947-48 (15-8-47 to 31-3-48)	.	(h) 2,58	—2,58	6,84
1948-49	(i) 3	5	—2	6,82
1949-50		..	..	6,82
1950-51	5,40	—1	5,41	(l) 13,58‡
1951-52	(k) 19,12	—18	19,30	(j) 33,72‡
1952-53	(m) 2,26	—4	2,30	(n) 36,05‡
1953-54	(o) 1,13	..	1,13	(n) 37,18‡
1954-55	(p) 1,18	..	1,18	38,36‡
1955-56	(q) 8,51	—2	8,53	46,89‡
1956-57 (Revised Estimates)	(r) 1,54	..	1,54	(s) 48,34‡
1957-58 (Budget Estimates)	(t) 1,62	.	1,62	49,96‡

(g) To meet Railway deficit.

(h) To meet the Railway deficit.

(i) Represents profit accrued on account of cancellation of investments in branch line shares.

(j) Includes 1,35 lakhs (Provisional) on account of Indian States Railways, taken over from 1-4-1950.

(k) Includes 78 lakhs on account of interest on balance and dividend etc. on investments in shares of and loans to Branch Line Companies.

(l) Includes 2,19 lakhs (Provisional) on account of Indian States Railways, taken over from 1-4-1950.

(m) Includes 1,07 lakhs on account of interest on balance and dividend etc. on investments in shares of and loans to Branch line Companies.

(n) Includes 2,22 lakhs (Provisional) on account of ex-Indian States Railways, taken over on 1-4-1950.

(o) Represents interest on balance and dividend etc. on investments in shares of and loan to Branch Line Companies.

(p) Represents interest on balance and dividend etc. on investments in shares of and loans to Branch Line Companies.

(q) Includes 1,37 lakhs on account of interest on balance and dividend etc. on investment in shares of and loans to Branch Line Companies.

(r) Represents interest on balance and dividend etc., on investments in shares of and loans to Branch Line Companies.

(s) Excludes 9 lakhs on account of difference between *ad hoc* and revised balances on 15-8-1947 and interest thereon.

(t) Represents 161 lakhs on account of interest on balance and dividend etc., on investment in shares of and loans to Branch Line Companies and 1 lakh profit expected to be realised on cancellation of investment in Branch Line shares.

‡These figures are provisional as the balances of the ex-States Railways merged therein have not yet been finalised.

APPENDIX X

Development Fund

(In lakhs of rupees)

Year	Appropriation to Fund	Withdrawal from Fund	Net accretion to Fund during the year	Closing balance
1946-47	(*a*) 15,24	(*d*) 41	14,83	14,83
1947-48 (1-4-47 to 14-8-47) . .	(*b*) 18	(*e*) 34	—16	14,67
1947-48 (15-8-47 to 31-3-48) . .	(*b*) 30	59	—29	14,38
1948-49	(*c*) 1,27	2,33	—1,06	13,32
1949-50	(*b*) 43	—5	48	13,80
1950-51	10,52	5,35	5,17	(*f*) 19,44‡
1951-52	(*g*) 10,65	7,70	2,95	(*h*) 22,48‡
1952-53	(*i*) 12,7	8,10	4,66	(*h*) 27,14‡
1953-54	(*j*) 3,29	9,81	—6,52	(*h*) 20, 2‡
1954-55	(*k*) 9,70	12,78	—3,08	(*h*) 17,54‡
1955-56	(*l*) 7,57	12,14	—4,57	12,97‡
1956-57 (Revised Estimates) . .	(*m*) 27,50	19,46	8,04	(*n*) 20,98‡
1957-58 (Budget Estimates) .	(*o*) 21,95	32,37	—10,42	10,50‡

(*a*) This is made up of 12 crores, transferred from Railway Reserve Fund, 3 Crores from the Railway surplus for 1946-47 and 24 lakhs interest on balance.

(*b*) Represents only interest on balance.

(*c*) Includes 43 lakhs on account of interest on balance.

(*d*) Includes 5 lakhs for B.A. & N.W. Railways.

(*e*) Includes 5 lakhs for B.A. & N.W. Railways.

(*f*) Includes 47 lakhs (Provisional) on account of Indian States Railways taken over from 1-4-1950.

(*g*) Includes 65 lakhs on account of interest on balance.

(*h*) Includes 56 lakhs (Provisional) on account of Indian States Railways taken over from 1-4-1950.

(*i*) Includes 76 lakhs on account of interest on balance.

(*j*) Includes 73 lakhs on account of interest on balance.

(*k*) Includes 60 lakhs on account of interest on balance

(*l*) Includes 49 lakhs on account of interest on balance.

(*m*) Includes 55 lakhs on account of interest on balance.

(*n*) Excludes 3 lakhs on account of difference between *ad hoc* and revised balances on 15-8-1947 and interest thereon.

(*o*) Includes 52 lakhs on account of interest on balance.

‡These figures are provisional as the balances of the ex-States Railways merged therein have not yet been finalised.

APPENDIX XI

List of new surveys undertaken during 1956-57

Central Railway.

Kurduwadi-Miraj Section—Conversion from Narrow Gauge to Broad Gauge—Preliminary and final location survey.

Eastern Railway.

Damodar Station to Kalipahari Station—Preliminary Engineering Survey.

Northern Railway.

Jagadhari-Chandigarh-Rupar-Ludhiana Project—Traffic Survey.

Preliminary Engineering Survey of a railway line between Tughlakabad and Ghaziabad including the siting of the second rail-*cum*-road bridge across the river Jamuna.

North-Eastern Railway.

Rampur Lalkua—Engineering Survey.

Investigation of Gandak River to determine site for the Bridge on the Sidhwalia Chakia Railway Project.

Jaldhaka-Torsa River Survey.

Southern Railway.

Preliminary Engineering Survey between Salem and Erode for regrading and realigning Kalipatti Bank.

Preliminary Engineering Survey for the regrading and realignment of track between miles 417 and 421 Hamsavaram Bank.

Tellicherry-Coorg-Mysore Railway—Reconnaissance Engineering Survey and Traffic Appreciation.

Preliminary Engineering Survey for the regrading and realignment of track between Narasapatnam Road and Gullipadu Station.

Survey for doubling of the line.

(*i*) Arkonam-Chitteri.
(*ii*) Mukundaryapuram-Latteri.
(*iii*) Vinnamangalam-Tirupattur.

South-eastern Railway.

Extension of Champa-Korba Line Final Location and Traffic Survey.

Marshalling Yard, Bondamunda.

Marshalling Yard, Bhilai.

Preliminary Engineering and Traffic Survey for doubling the line between Vizianagram to Gopalpatnam including Remodelling Waltair Yard.

Integral Coach Factory Perambur (Madras), Furnishing Unit.

Metre Gauge Coach Factory, Bareilly.

Locomotive Component Works, Banaras.

APPENDIX XI—*contd.*

List of new surveys proposed to be undertaken during 1957-58

Central Railway.

Miraj-Kolhapur Section—Conversion from Metre gauge to Broad-gauge.

Eastern Railway.

Marshalling Yard—Ondal.

Marshalling Yard in connection with coal washeries.

Southern Railway.

Chamrajnagar-Sathyamangalam Mettupalayam-Coimbatore Railway.

Poona-Miraj Section—Converssion to Broad-gauge.

Conversions of

Gudiwada-Bhimavaram and connected Metre-gauge lines.

Doublings of

(*i*) Dawarapudi-Samalkot.
(*ii*) Chitteri-Mukundarayapuram.
(*iii*) Latteri-Vinnamanglam.
(*iv*) Tirupattur-Dasampatti.
(*v*) Thonganur-Bommidi.
(*vi*) Pudi-Renigunta.
(*vii*) Pudugupadu-Chevuru.

Proposed investigation and Engineering Survey for doubling of track.
(*i*) Bezwada-Waltair Section.
(*ii*) Arkonam-Erode Section.
(*iii*) Arkonam-Renigunta Section.

Railway Board.

(*i*) Miscellaneous Surveys for sidings and short spur lines or diversions.

(*ii*) Miscellaneous Surveys for Electrification Projects.

GOVERNMENT OF INDIA

BUDGET

of the

Railway Revenue and Expenditure of the Central Government For 1957-58

MINISTRY OF RAILWAYS;	J. DAYAL,
New Delhi, the 19th March, 1957.	*Financial Commissioner for Railways.*

CONTENTS

1—Statement of the Revenue of the Central Government from Railways.

(In thousands of rupees.)

HEADS OF REVENUE	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate 1956-57	Increase(+) Decrease(—) as compared with Budget, 1956-57	Budget Estimate 1957-58
	Rs.	Rs.	Rs.	Rs.	Rs.
XV.—Indian Government Railways—					
Gross Receipts—					
Passenger Earnings—					
Upper	12,85,15	12,00,00	13,00,00	1,00,00	13,75,00
Third	94,85,76	99,40,00	102,50,00	3,10,00	105,25,00
Other Coaching Earnings	20,86,58	21,80,00	21,40,00	—40,00	24,00,00
Goods Earnings	180,28,34	205,50,00	206,50,00	1,00,00	218,00,00
Sundry Other Earnings	6,81,33	6,40,00	7,35,00	95,00	8,10,00
TOTAL EARNINGS	315,67,16	345,10,00	350,75,00	5,65,00	369,10,00
Suspense	61,90	—10,00	—75,00	—65,00	—60,00
Gross Receipts of Indian Government Railways	(a) 316,29,06	(b) 345,00,00	(c) 350,00,00	5,00,00	(d) 368,50,00
Deduct— Working Expenses of Indian Government Railways	257,95,08	269,10,15	274,03,04	4,92,89	288,85,46
Payment to Worked Lines—					
(i) Net earnings	26,49	20,24	31,26	11,02	31,06
(ii) Rebate etc..	10	9	..	—9	..
Net Receipts	58,07,39	75,69,52	75,65,70	—3,82	79,33,48
XVI— Subsidised Companies—					
Government share of surplus profits etc.	2,17	3,36	8,09	4,73	3,58
XVI-A.—Miscellaneous Railway Receipts— Miscellaneous receipts	2,22	1,47	35,18	33,71	12,59
XVI-B.—Transfer from Railway Revenue Reserve Fund	..	..	..	..	..
TOTAL RECEIPTS	58,11,78	75,74,35	76,08,97	34,62	79,49,65

(a) Includes 60,66 earnings of workedline.
(b) „ 45,94 „ „ „ „
(c) „ 59,22 „ „ „ „
(d) „ 59,28 „ „ „ „

2.—Statement of the Expendiure on Railways met from the Revenues of the Central Government.

(In thousands of rupees.)

HEADS OF EXPENDITURE	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase(+) Decrease(—) as compared with Budget 1956-57	Budeget Estimate, 1957-58
	Rs.	Rs.	Rs.	Rs.	Rs.
15. Indian Government Railways—					
Interest—					
On Government Capital at-Charge	..	..	..	..	..
On Capital Contributed by Indian States and Companies	..	..	..	..	..
TOTAL INTEREST . .	..	..	..	..	..
15. (C) Subsidised Companies—					
Land	7	7	8	1	..
Subsidy . . .	5,16	7,55	6,46	—1,09	11,25
15. (D. & E.) Miscellaneous Railway Expenditure . . .	1,75,62	2,18,43	2,13,80	—4,63	2,44,18
15. (I) Open Line Works-Revenue.	5,96,98	10,82,49	9,24,48	—1,58,01	11,72,38
15. (F) Appropriation to Railway Revenue Reserve Fund from Surplus	7,14,17	..	..	..	..
15. (H) Appropriation to Railway Development Fund from Surplus	7,07,92	22,99,37	26,95,00	3,95,63	21,43,11
15. (J) Appropriation to Railway Depreciation Reserve Fund from Surplus . . .	..	.	..	..	..
15. (K) Dividend to General Revenues	36,11,86	39,66,44	37,69,15	—1,97,29	43,78,73
TOTAL	58,11,78	75,74,35	76,08,97	34,62	79,49,65

3.—Distribution of Railway Surpuls 1956-57 and 1957-58.

(In thousands of rupee

	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate 1957-58
	Rs.	Rs.	Rs.	Rs.
Surplus	14,22,09	22,99,37	26,95,00	21,43,1
Railway Development Fund . . .	7,07,92	22,99,37	26,95,00	21,43,1
Railway Revenue Reserve Fund . . .	7,14,17	..	..	..
Railway Depreciation Reserve Fund . .	..	..	..	..

4.—Statement of the Capital Expendture of the Central Government Railways.

(In thousands of rupees)

HEADS OF EXPENDITURE	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase(+) Decrease(—) as compared with Budget, 1956-57	Budget Estimate, 1957-58
	Rs.	Rs.	Rs.	Rs.	Rs.
Railway Capital not met from Revenue—					
67.—Construction of State Railways—					
Open Line Works—					
Rolling Stock	42,34,18	64,31,76	66,92,30	2,60,54	67,64,30
Other Works	10,72,78	16,26,77	12,25,07	—4,01,70	35,62,25
New Construction	6,22,95	14,25,68	11,07,34	—3,18,34	22,05,75
Suspense	7,14,86	34,53,45	12,38,89	—22,14,56	12,96,23
Miscellaneous	1,06,99	1,25,00	1,17,11	—7,89	2,80,00
Probable Savings	..	—17,19,78	..	17,19,78	—16,91,43
TOTAL	67,51,76	113,42,88	103,80,71	—9,62,17	124,17,10

5.—Statement of the Capital Expenditure of the Central Government on Vizagapatam Port.

(In thousands of rupees)

HEADS OF EXPENDITURE	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57 *	Increase(+) Decrease(—) as compared with Budget, 1956-57
	Rs.	Rs.	Rs.	Rs.
Vizagapatam Harbour Capital not met from Revenue :—				
73.—Capital Outlay on Vizagapatam Port—				
I. Land	8	40	4	—36
II. Waterways	1,85	..	1	1
III. Docks and Berths . . .	—62	..	9	9
IV. Broad Gauge Railways . . .	51	..	2	2
V. Ferries.	..	..	..	..
VI. Manganese Facilities . .	61	1,50	13	—1,37
VII. Plant	1,26	3,47	35	—3,12
VIII. Floating Crafts . . .	..	1,20	1,04	—16
IX. Buildings	2,42	4,58	66	—3,92
X. Oil Facilities	47,60	1,04,00	14,73	—89.27
XI. Suspense	—1,20	..	—3,18	— 3,18
TOTAL	52,51	1,15,15	13,89	—1,01,26

*Represents outlay to end of September, 1956 just prior to the transfer of control of the Port to the Ministry of Transport.

A—RAILWAY DEPERECITION RESERVE FUND

(In thousands of rupees)

	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58		Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget, Estimate 1957-58
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening Balanc .	*100,68,70	100,74,77	†99,87,28	103,08,05	Appropriation from Depreciation Reserved Fund	45,89,37	45,42,07	45,72,03	49,73,56
Appropriation to Depreciation Reserve Fund	(a) 45,41,37	(b) 45,46,16	(c) 45,63,36	(d) 45,68,37	Closing Balance . .	103,47,15	104,09,38	103,08,05	102,40,38
nterest on Depreciation Reserve Fund . .	3,26,45	3,30,52	3,29,44	3,37,52					
TOTAL . . .	149,36,52	149,51,45	148,80,08	152,13,94	TOTAL . . .	149,36,52	149,51,45	148,80,08	152,13,94

Includes 9,40,30 (provisional) on account of Indian State Railways taken over from 1-4-1950.

(a) Includes 41,37 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works.

(b) Includes 46,16 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works.

(c) Includes 63,36 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works (48,03) and Integral Coach Factory(15,33).

(d) Includes 68,37 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works (50,00) and Integral Coach Factory (18,37).

† Excludes 359·87 lakhs on account of proposed adjustment in the current year of the difference between *ad hoc* and revised balances on 15-8-1947 (276·03) and the interest thereon (83·84).

B—RAILWAY REVENUE RESERVE FUND

(In thousands of rupees)

	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58		Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening Balance . .	(a) 38,36,08	(d) 46,88,58	(c) †46,79,69	(g) 48,34,02	Appropriation from Railway Revenue Reserve Fund .	—2,08	..	..	..
Appropriation to Railway Revenue Reserve Fund from Surplus etc. .	7,14,17	..	..	(j)50					
Interest on Railway Revenue Reserve Fund .	(b) 1,36,47	(e) 1,53,59	(f) 1,54,33	(h) 1,61,27	Closing Balance . .	(c) 46,88,80	(d) 48,42,17	(g) 48,34,02	(i) 49,95,79
Total . .	46,86,72	48,42,17	48,34,02	49,95,79	Total . . .	46,86,72	48,42,17	48,34,02	[illegible],95,79

(a) Includes 50·35 lakhs on account of investment in shares of and loans to Branch Line Companies, and 221·67 lakhs (provisional) on account of Indian State Railways taken over from 1-4-1950.

(b) Includes 1·77 lakhs on account of interest and dividends and gain etc., on investments.

(c) Includes 50·66 lakhs on account of investments in shares of and loans to Branch Line Companies.

(d) Includes 52·08 lakhs on account of investments in shares of and loans to Branch Line Companies.

(e) Includes 1·49 lakhs on account of interest and dividends etc., on investments.

(f) Includes 1·67 lakhs on account of interest and dividends etc., on investments.

(g) Includes 58·16 lakhs on account of investments in shares of and loans to Branch Line Companies.

(h) Includes 1·49 lakhs on account of interest and dividends etc., on investments.

(i) Includes 43·97 lakhs on account of investments in shares of and loans to Branch Line Companies.

(j) Represents net gain ex-pected to be realised on cancellation of investments in Branch Line Shares.

† Excludes 9·11 lakhs on account of the proposed adjustment in the current year of the difference between *ad hoc* and revised balances on 15-8-1947 (6·99) and the interest thereon (2·12).

C.—RAILWAY DEVELOPMENT FUND

(In thousands of rupees)

	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58		Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening Balance . .	*17,53,72	8,06,62	†12,94,09	20,98,11	Appropriation from Development Fund . .	12,13,81	22,16,71	19,46,04	32,36,96
Appropriation to Development Fund from Surplus	7,07,92	22,99,37	26,95,00	21,43,11	Closing Balance . .	12,96,61	9,17,09	20,98,11	10,56,07
Interest on Development Fund	48,77	27,81	55,06	51,81					
TOTAL	@25,10,42	31,33,80	40,44,15	42,93,03	TOTAL . . .	25,10,42	31,33,80	40,44,15	42,93,03

* Includes 55,62 (provisional) on account of Indian State Railways taken over from 1-4-1950.

@ Difference of 1 is due to rounding off.

† Excludes 2·52 lakhs on account of proposed adjustment in the current year of the difference between *ad hoc* and revised balances on 15-8-1947 (1·92) and the interest thereon (·60)

Details of voted and charged amounts included in the Demands for Grants (Railways) for 1957-58.

Number of Demand	Name of Demand	Amount (In thousands of rupees)	
		Voted	Charged
		Rs.	
1	Railway Board	71,48	..
2	Miscellaneous Expenditure	1,69,35	4,27
3	Payments to Worked lines and others	43,26	..
4	Working Expenses—Administration	30,71,16	..
5	Working Expenses—Repairs and Maintenance . .	93,91,98	..
6	Working Expenses—Operating Staff	59,39,18	..
7	Working Expenses—Operation (Fuel)	49,73,81	..
8	Working Expenses—Operation other than Staff and Fuel	16,87,17	38,40
9	Working Expenses—Miscellaneous Expenses . . .	25,95,80	27,58
10	Working Expenses—Labour Welfare	7,17,66	..
11	Working Expenses—Appropriation to Depreciation Reserve Fund	45,00,00	..
12	Dividend payable to General Revenues	43,78,73	..
13	Open Line Works (Revenue) —Labour Welfare . .	1,03,33	..
14	Open Line Works (Revenue)—Other than Labour Welfare	10,69,26	..
15	Construction of New Lines	20,78,05	..
16	Open Line Works—Additions	3,71,85,40	..
17	Open Line Works—Replacements	63,10,34	..
18	Open Line Works—Development Fund	32,36,96	..
19	Capital Outlay on Vizagapatam Port	..	..
20	Appropriation to Development Fund	21,43,11	..
21	Appropriation to Revenue Reserve Fund . . .	..	..
22	Withdrawal from Revenue Reserve Fund. . . .	..	..
	TOTAL . . .	8,96,66,03	70,25

NOTE

In pursuance of Article 116 of the Constitution, Parliament is being asked to vote five months' supply, representing 5/12ths of the total estimated expenditure included in the Demands for Grants for 1957-58, pending detailed consideration of the same later. Attached is a statement showing the sums required for meeting expenditure likely to be incurred during the first five months of the year, *i.e.*, from April to August, 1957 during which period it is expected that the Parliament would have considered, in detail, the Demands for Grants for the full year and voted on them.

In respect of the following demands, however, it is not proposed to obtain a vote 'On—account':

Demand No. 12—Dividend Payable to General Revenues.

Demand No. 20—Appropriation to Development Fund.

Estimate of expenditure for which a vote on account is required for the year ending the 31st March, 1958.

(In thousands of rupees)

Table of Demand or Appropriation	Total Demand		Amount required on account	
	Voted	*Charged*	Voted	*Charged*
Demand No. 1.—Railway Board	71,48	..	29,78	..
Demand No. 2—Miscellaneous Expenditure	1,69,35	*4,27*	70,56	*1,78*
Demand No. 3—Payment to Worked Lines and Others	43,26	..	18,03	..
Demand No. 4—Working Expenses—Administration	30,71,16	..	12,79,65	..
Demand No. 5—Working Expenses—Repairs and Maintenance	93,91,98	..	39,13,33	..
Demand No. 6—Working Expenses—Operating Staff	59,39,18	..	24,74,66	..
Demand No. 7—Working Expenses—Operation (Fuel)	49,73,81	..	20,72,42	.
Demand No. 8—Working Expenses—Operation other than Staff and Fuel	16,87,17	*38,40*	7,02,99	*16,00*
Demand No. 9—Working Expenses—Miscellaneous Expenses	25,95,80	*27,58*	10,81,58	*11,50*
Demand No. 10—Working Expenses— Labour Welfare	7,17.66	.	2,99,03	..
Demand No. 11—Working Expenses —Appropriation to Depreciation Reserve Fund	45,00,00	..	18,75,00	..
Demand No. 13—Open Line Works (Revenue)—Labour Welfare	[illegible],03,33	..	43,05	..
Demand No. 14—Open Line Works (Revenue) —Other than Labour Welfare	10,69,26		4,45,53	..
Demand No. 15—Construction of New Lines.	20,78,05	.	8,65,85	..
Demand No. 16—Open Line Works—Additions.	371,85,40	..	154,93,91	..
Demand No. 17—Open Line Works—Replacements	63,10,34	..	26,29,31	
Demand No. 18—Open Line Works—Development Fund	32,36,96	..	13,48,73	..
TOTAL	831,44,19	*70,25*	346,43,41	*29,28*

Bill No. 5 of 1957.

THE APPROPRIATION (RAILWAYS) VOTE ON ACCOUNT BILL, 1957

(AS INTRODUCED IN LOK SABHA)

A

BILL

to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the service of a part of the financial year 1957-58, for the purposes of Railways.

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows:—

1. **Short title.**—This Act may be called the Appropriation (Railways) Vote on Account Act, 1957.

2. **Withdrawal of Rs.** *346, 72, 69,000* **from and out of the Consolidated Fund of India for the financial year** 1957-58.—From and out of the Consolidated Fund of India there may be withdrawn sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of three hundred and forty-six crores, seventy-two lakhs and sixty-nine thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1957-58, in respect of the services relating to railways specified in column 2 of the Schedule.

3. **Appropriation.**—The sums authorised to be withdrawn from and out of the Consolidated Fund by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

254 M. of Fin.—8

THE SCHEDULE

(*See* sections 2 and 3)

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Railway Board	29,78,000	..	29,78,000
2	Miscellaneous Expenditure .	70,56,000	*1,78,000*	72,34,000
3	Payment to Worked Lines and others	18,03,000	..	18,03,000
4	Working Expenses—Administration	12,79,65,000	..	12,79,65,000
5	Working Expenses—Repairs and Maintenance	39,13,33,000	..	39,13,33,000
6	Working Expenses—Operating Staff	24,74,66,000	..	24,74,66,000
7	Working Expenses—Operation (Fuel)	20,72,42,000	.	20,72,42,000
8	Working Expenses—Operation other than Staff and Fuel .	7,02,99,000	*16,00,000*	7,18,99,000
9	Working Expenses-Miscellaneous Expenses	10,81,58 000	*11,50,000*	10,93,08,000
10	Working Expenses—Labour Welfare	2,99,03,000	.	2,99,03,000
11	Working Expenses—Appropriation to Depreciation Reserve Fund	18,75,00,000	..	18,75,00,000
13	Open Line Works (Revenue)—Labour Welfare . .	43,05,000	..	43,05,000
14	Open Line Works (Revenue)—Other than Labour Welfare .	4,45,53,000	..	4,45,53,000
15	Construction of New Lines .	8,65,85,000	..	8,65,85,000
16	Open Line Works—Additions .	1,54,93,91,000	..	1,54,93,91,000
17	Open Line Works—Replacements	26,29,31,000	..	26,29,31,000
18	Open Line Works—Development Fund	13,48,73,000	..	13,48,73,000
	TOTAL .	346,43,41,000	*29,28,000*	346,72,69,000

STATEMENT OF OBJECTS AND REASONS

This Bill is introduced in pursuance of article 114 (1) of the Constitution of India, read with article 116 thereof, to provide for the appropriation out of the Consolidated Fund of India of the money required to meet the expenditure charged on the Consolidated Fund and the grants made in advance by Parliament in respect of the estimated expenditure of the Central Government on Railways, for a part of the financial year 1957-58.

JAGJIVAN RAM.

NEW DELHI;

The 19*th March*, 1957.

LOK SABHA

A

BILL

to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the service of a part of the financial year 1957-58, for the purposes of Railways.

The President has, in pursuance of clauses (1) and (3) of article 117 of the Constitution of India, recommended to Lok Sabha, the introduction and consideration of the Bill.

M. N. KAUL,
Secretary.

(*Shri Jagjivan Ram,*
Minister of Transport and Railways.)

Bill No. 5-F of 1957

THE APPROPRIATION (RAILWAYS) VOTE ON ACCOUNT BILL, 1957

(AS PASSED BY THE HOUSES OF PARLIAMENT)

A

BILL

to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the service of a part of the financial year 1957-58, *for the purposes of Railways.*

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows:—

1. **Short title.**—This Act may be called the Appropriation (Railways) Vote on Account Act, 1957.

2. **Withdrawal of Rs. 346,72,69,000 from and out of the Consolidated Fund of India for the financial year 1957-58.**—From and out of the Consolidated Fund of India there may be withdrawn sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of three hundred and forty-six crores, seventy-two lakhs and sixty-nine thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1957-58, in respect of the services relating to railways specified in column 2 of the Schedule.

3. **Appropriation.**—The sums authorised to be withdrawn from and out of the Consolidated Fund by this Act shall be appropriated for the services and purpose expressed in the Schedule in relation to the said year.

THE SCHEDULE

(*See* sections 2 and 3)

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Railway Board	29,78,000	..	29,78,000
2	Miscellaneous Expenditure	70,56,000	*1,78,000*	72,34,000
3	Payment to Worked Line and others	18,03,000	..	18,03 000
4	Working Expenses—Administration	12,79,65,000	..	12,79,65,000
5	Working Expenses—Repairs and Maintenance	39,13,33,000	..	39,13,33,000
6	Working Expenses—Operating staff	24,74,66,000	..	24,74,66,000
7	Working Expenses—Operation (Fuel)	20,72,42,000	..	20,72,42,000
8	Working Expenses—Operation other than Staff and Fuel	7,02,99,000	*16,00,000*	7,18,99,000
9	Working Expenses—Miscellaneous Expenses	10,81,58,000	*11,50,000*	10,93,08,000
10	Working Expenses—Labour Welfare	2,99,03,000	..	2,99,03,000
11	Working Expenses—Appropriation to Depreciation Reserve Fund	18,75,00,000	..	18,75,00,000
13	Open Line Works (Revenue)—Labour Welfare	43,05,000	..	43,05,000
14	Open Line Works (Revenue) other than Labour Welfare	4,45,53,000	..	4,45,53,000

1	2	3		
15	Construction of New Lines . . .	8,65,85,000	..	8,65,85,000
16	Open Line Works—Additions . .	1,54,93,91,000	..	1,54,93,91,000
17	Open Line Works—Replacements .	26,29,31,000	..	26,29,31,000
18	Open Line Works—Development Fund	13,48,73,000	..	13,48,73,000
	TOTAL . .	346,43,41,000	*29,28,000*	346,72,69,000

A

BILL

to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the service of a part of the financial year 1957-58, for the purposes of Railways.

(As passed by the Houses of Parliament)

Speech of Shri JAGJIVAN RAM introducing the

Railway Budget for 1957-58

on 14th May, 1957

Mr. SPEAKER,

Sir, I rise to present the statement of receipts and expenditure of the Railways for the year 1957-58.

The estimates of expenditure for the current financial year already presented by me on 19th March 1957 to the then Lok Sabha for a 'vote on account' remain practically the same, except for a few minor alterations which have been made in individual demands. These alterations are brought out briefly in the Supplement to the Explanatory Memorandum on the Budget and in detail in the explanatory notes in the Demand Book. On the earnings side, however, I have certain new proposals to make for the consideration of the House, and these affect the financial picture substantially.

2. The Honourable Members are aware that the Ministry of Railways had originally prepared their Second Five Year Plan for an estimated outlay of Rs. 1,480 crores. That was considered as the minimum required for the creation of the necessary extra rail transport capacity for goods and passenger traffic. An increase of 30 per cent. in passenger services, and an additional 60·8 million tons in goods traffic over that generated by the end of the First Five Year Plan, making a total of 180·8 million tons was thought necessary in keeping with the targets fixed for other developmental projects and schemes in the General Plan. The Railway Plan also provided for the construction of 3,000 miles of new lines. Due to the limited overall financial resources of Government, however, the Railways were allotted only Rs. 1,125 crores of which Rs. 375 crores were to be found by them over the Plan period from their own resources. To conform to the reduced allotment, the scope of the Railway Plan had necessarily to be cut down and, after eliminating most of the new lines except those essentially required for the projected expansion in steel and coal production, it was found possible to cater within the funds allotted for an increase of only 15 per cent. in passenger transport and a total of 162 million tons in goods transport. The reduction in the target of passenger transport capacity restricted the possibility of any substantial relief of the over-crowding in our passenger trains during the period of the Plan. While the prospect of the continuance of the present state of over-crowding was undesirable, the enforced reduction of the provision for extra goods transport from 180·8 million tons to 162 million tons was much more serious from the point of view of the country's developing economy. After reserving capacity for 25 million tons on account of coal and other raw materials required for the new steel plants and expansion of the existing ones, 6 million tons more coal for other consumers and 4 million tons more for cement, a very meagre margin was left for the increase in the general merchandise traffic, including increases in trade and the output of all other industries and agriculture.

3. The experience of the first year of the Second Five Year Plan has made it abundantly clear that the demands on rail transport during the Plan period are likely to exceed even the original estimate of 180·8 million tons. It is, therefore

manifest that the allotment of Rs. 1,125 crores, which includes financial provision for carrying only an additional 42 million tons for traffic, will be quite inadequate. To cater for a higher volume of traffic a substantial expansion of the Railway Plan has become inescapable, and such an expansion must be planned straightaway as the execution of the line capacity and signalling works essential for moving the higher quantum of traffic will take their own time. On a rough basis it is anticipated that an additional amount of over Rs. 100 crores at the present price-levels would be required to carry 180·8 million tons. Apart from the demands of the larger quantum of traffic which the Railways must carry as the Plan develops, the rise in the cost of labour and essential materials like steel, cement, etc., since the Plan was prepared, has already made the allotment of Rs. 1,125 crores insufficient for creating capacity even for the increase of 15 per cent. in passenger transport, and 42 million tons of goods traffic, and it is estimated that achieving the physical targets originally included in the Rs. 1,125 crores Plan will itself require an extra amount of about Rs. 100 crores.

4. The two items of extra expenditure just mentioned add up to well over Rs. 200 crores. As my predecessor, Shri Lal Bahadur Shastri, explained in Februrary 1956 when proposing the present 6¼ per cent. supplementary charge on goods and parcels freight, the Railway revenue resources, computed on the basic level of fares and freights in force were estimated to amount during the Plan Period to only about Rs. 325 crores including the contribution of Rs. 225 crores through the Depreciation Reserve Fund, the expenditure on open line revenue works, interest on Railway fund balances and Revenue surpluses, leaving a gap of Rs. 50 crores to be filled in order to make up the Railway contribution of Rs. 375 crores envisaged in the Plan. On present estimates it seems that the Revenue surpluses at the basic fare and freight rates may be somewhat higher and that the levy of the supplementary charge of 6¼ per cent, would bring in about Rs. 71 crores extra over the Plan period. It is, however, quite clear that, on the basis of the present supplementary charge of 6¼ per cent, on goods and parcels freight, the resources that will be left over after filling the initial gap of Rs. 50 crores will not amount to more than a small proportion of the extra amount of over Rs. 200 crores which has to be found if the Railways are to cope with the anticipated demand of goods transport by 1960-61. There is now universal recognition of the fact that transport capacity cannot lag behind other developments envisaged in the Plan and that the very success of the Plan would depend on the timely creation of the additional transport capacity. It is, therefore essential that the necessary wherewithal to meet the extra expenditure has to be found as early as possible.

5. In March last, in presenting the Budget, I stated that the report of the Freight Structure Enquiry Committee was expected shortly and that when the budget was again presented in the new House, it would be possible to give an indication of the recommendations of the Committee and the effect of the implementation of those recommendations. I regret to say that it has not been possible for me to do so. The report in its final and complete form was received only recently. The task assigned to the Committee was a difficult one and I would, on behalf of the Government, express our deep gratitude to Shri Ramaswami Mudaliar and his colleagues on the Committee for the thorough manner in which they have dealt with this intricate subject in their report. While the recommendations of the Committee envisage an appreciable rise in the general level of freight rates, various aspects dealt with in the report have far reaching implications and the recommendations, particularly those related to the augmentation of freight rates, call for a detailed study. It is anticipated that a complete examination of the recommendations and the preparatory work like the amendment of the Goods Tariff and the preparation of mileage tables which must precede the introduction of the new freight rates are not likely to be completed until the end of the current calendar year. As we are already well into the second year of the Plan, the augmentation of resources to

meet the extra expenditure on rolling stock and works can brook no further delay; otherwise the Railways may be too late in creating the capacity required to carry the additional traffic load which, it is quite certain now, will devolve on the Railways during the Plan period.

6. It is proposed, therefore, to enhance, as from the 1st July 1957, the supplementary charge on goods and parcels traffic from 6¼ per cent. to 12½ per cent., certain commodities being exempt as at present. I have not made any changes in the passenger fares as my colleague, the Finance Minister, is considering this matter.

Consequent on the increase of the supplementary charge it is estimated that the additional earnings will be about Rs. 11·3 crores for goods traffic and Rs. 1·2 crores for parcels traffic per year. But since the increase is to take effect only from the 1st of July, the extra earnings for this financial year are expected to be only about Rs. 9½ crores. It is hoped that towards the end of the current year it will be possible to introduce a selective variation in freight for goods traffic based on the recommendations of the Freight Structure Enquiry Committee and withdraw the flat supplementary charge.

7. Taking the increase in parcel and goods earnings into account, the total surplus for the current financial year is now estimated at Rs. 30·83 crores, which will be credited to the Development Fund.

8. Although the view has been pressed, both in this House and elsewhere that concessions for passenger traffic should be reduced or withdrawn in the context of the prevailing overcrowding and the need to enhance earnings I do not at the moment propose to cancel any of the existing concessions. In fact, I propose extending the concession of a single ticket to cover a blind passenger and his attendant, which applies at present only to blind persons under the care of recognised institutions, to all blind persons. A similar concession is being extended to patients suffering from tuberculosis for their journeys for admission to and on discharge from hospitals and sanatoria. Both these concessions will, of course, be subject to production of appropriate certificates to avoid misuse.

9. I am sure the House should be interested to know the progress already made in the implementation of the Railway plan of Rs. 1,125 crores and I would invite the attention of the Honourable Members to the introductory section of the White Paper on the Railway Budget for 1957-58, which gives the details of the progress made in the year 1956-57 and that programmed in the current financial year. Put briefly a sum of Rs. 193 crores had been provided in the Budget for 1956-57 for expenditure on Works, Plant and Machinery, and Rolling Stock, against which the Railways' final estimates in the last week of the year amounted to Rs. 178 crores the shortfall being almost entirely on the Works side. The revised estimate of expenditure on civil engineering works in 1956-57 was nearly Rs. 11·8 crores less than, the original estimate of Rs. 88·16 crores and the final estimates fell short even of the revised estimate by nearly Rs. 6·6 crores. While this last surrender of funds was partly because the on account payment proposed to be made for the purchase of the Bombay Government plant in the Chola Power house could not materialise due to the negotiations not having reached any finality it has become apparent from an analysis of the civil engineering expenditure during the last year that by far the greater portion of the shortfall was due to the shortage of materials, particularly permanent way items like rails, sleepers and fittings and signal and interlocking stores and equipment. It will be appreciated, however, that

some time is required to gear up the construction organisation to the desired tempo and it was not possible to do so in the very first year of the Plan. However, all the factors contributing to the shortfall have been carefully examined and are being further tackled with a view to ensure better progress in this and the coming years towards full implementation of the Plan.

10. Considering the acute shortage of essential materials, particularly steel required for permanent-way, bridge girders, cement, etc., the progress made on new constructions has been quite satisfactory and the projects have been executed with commendable despatch. During the year 1956-57, the 24 mile long Champa-Korba and 26 mile long Fatehpur-Churu branch lines were opened to traffic, as also the 37 mile long Ernakulam-Kottayam section of the Quilon-Ernakulam link making an aggregate of 87 miles of new railway lines. The construction of eight other projects totalling 524 miles is in progress. Recently, a link between Chandrapura and Muri, a distance of approximately 43 miles, has been sanctioned and the work is expected to get into full swing immediately after the monsoon. The 7 mile link between Gandhidham and New Kandla which was opened for goods traffic last year has now been opened to all traffic. Work is also in progress on nearly 700 miles of doublings, of which about 370 miles are on the South-eastern Railway, 116 miles on the Western Railway and 78 miles on the Southern Railway. At the close of the last financial year more than 1,50,000 men were working on the various projects.

11. Approved surveys totalled 2,800 miles during 1956-57, of which the field work on nearly 2,000 miles is still in progress. Of the surveys sanctioned in 1955-56 or which were already in progress, those for the Madhopur-Kathua, Baraset-Hasnabad and the Mangalore-Hassan lines and for the avoiding lines in the Delhi area have been completed. Surveys for the Guna-Ujjain portion of the Gwalior-Ujjain and the Nizamabad-Ramagundam, Muzaffarpur-Darbhanga, Robertsganj-Garhwa Road, Rampur-Haldwani, Bhaili-Bhadran and Sojitra-Dholka and Kadur-Chikmaglur-Sakhleshpur projects are nearing completion. Those for the Sambalpur-Titilagarh, Sitamarhi-Sonbarsa, Bangalore-Salem, Trivandrum-Tinnevelly-Cape Comorin, Vellore-Conjeevaram, Kotah-Chitorgarh, Udaipur-Himmatnagar, Satna-Rewa-Gobindgarh, Nipani-Sakleshwar-Ghataprabha and Bukhtiarpur-Rajgir projects and the branch lines in the Karanpura and Kathara coalfields are still in progress.

12. The proposal for a second road-*cum*-rail bridge over the Jamuna at Delhi with an avoiding line between Tughlakabad and Ghaziabad is under detailed examination and the survey of the railway alignment is expected to be completed shortly. Model experiments are also being conducted by the Central Water and Power Research Station at Poona on the suitability of the site proposed for the bridge. Approval was also given to surveys for the conversion of the Kurduwadi-Mira Narrow Gauge and the Poona-Miraj-Kolhapur Metre Gauge sections to Broad Gauge. An urgent reconnaissance survey was also conducted of the Jaldhaka and Torsa River crossings on an alternative Assam Link route.

13. The Honourable Members will observe from the details that I have just given that surveys of a large mileage have already been completed and those of other lines aggregating again to a considerable mileage are also in progress. When all these survey reports are received and examined, some of the lines might be eliminated on financial and other considerations. But even in regard to the rest, I see no prospect of their construction being taken in hand during the Second plan period due to shortage not only of funds but of materials also. In these

circumstances there can be no point in undertaking any fresh surveys, thereby dissipating our man-power, which is so urgently required for speeding up approved Plan projects. It will not, therefore, be prudent to sanction any new surveys during the year 1956-57, unless they are connected with an approved development project or required urgently on operational grounds or on strategic considerations.

14. Of the twelve dismantled lines the restoration of which was approved by the Central Board of Transport, eleven had been restored by 1955, and approval was accorded in 1956-57 to the restoration of the Rohtak-Gohana portion of the Rohtak-Panipat Link, the only remaining line. Owing to the limitation of fund in the Second Five Year Plan it has not been possible to consider the restoration of more lines.

15. The House is already aware of Government's anxiety to stabilise and strengthen the railway route to Assam. In 1947 the railway connection to Assam was cut off and the Government took immediate action to re-establish it along the narrow strip of Indian territory through the Northern Districts of Bengal by constructing three new railway links to join the old railway section in this area. The old portions Bagrakote to Mal and eastward to Madarihat were built early in the century as branch line by the ex- B.D. Railway, mainly to serve tea gardens. Before embarking upon any large scale measures to strengthen the old lines for present day requirements, Government appointed a Committee of experts to suggest measures for stabilizing the Assam Rail Link route. Their report has now been received and is being studied. In the meantime all possible measures have been taken to keep the lines of communication intact. A very senior and experienced officer has been posted with special staff to assist in maintenance work during the coming monsoon and to start upon construction work for strengthening the route as soon as the working season begins.

16. Honourable Members will have seen a reference in the White Paper presented in March last to the electrification of certain sections of the Indian Railways during the Second Five Year Plan. There is a provision of Rs. 80 crores in the Plan for the electrification of about 800 miles of the Indian Railways, the sections included in the Plan being the Calcutta suburban area and the main line sections from Burdwan to Gomoh on the Eastern Railway, Igatpuri to Bhusaval on the Central Railway and Tambaram to Villupuram on the Southern Railway. The necessity has since become apparent of extending electrification to the sections from Gomoh to Moghalsarai, Asansol to Rourkela, and Rajkharswan to Barajamda, involving an additional mileage of about 500. The Plan was formulated on the assumption that the electrification would be on the direct current system adopted on the existing electrified sections near Bombay and Madras. In view, however, of the successful operation of electrification on the single phase alternating current system on the French National Railways, followed by the reported decision of many other advanced countries to adopt this system, investigations were made of its feasibility for main lines in India. These investigations were considerably facilitated by the kind loan by the French National Railways of the services of the electrical engineering experts. I take this opportunity to express the gratitude of the Government of India to the Government of France and to the French Railway authorities for this valuable assistance. It has now been decided tentatively to adopt this system for main line electrification on Indian Railways also, due to its operating and financial advantages over the direct current system, and the technical details of this system are now under investigation.

17. As in previous years, sustained efforts will continue in the current year to make railway travel more pleasant and comfortable, and a provision of Rs. 2·98 crores has been made for the purpose. A survey has now been completed of the amenities available at all stations and the extent to which they will have to be

supplemented to reach the minimum standards of amenities prescribed for stations. I need hardly mention that the full implementation of these measures will take time depending upon the availability of materials.

18. As already stated, acute shortage of construction materials of almost all descriptions, and more specially, steel, cement, pipes and signalling equipment, prevailed during 1956-57. I mentioned last March that steps were being taken in conjunction with other Ministries for improving the procurement of rails, sleepers etc. It has subsequently been decided that the Ministry of Railways should take over the procurement of the specialised railway items of steel requirements, and a mission is being sent out to Europe and other countries to expedite the procurement of rails, sleepers, etc., the shortage of which is seriously hampering the implementation of the Railway Plan. The procurement of wooden sleepers has been considerably promoted by exploiting the usage of a greater variety of new species with and without treatment, by the relaxation of specifications, by increased supplies from the Andamans and by initiating measures for exploring the possibilities of the import of timber sleepers from Burma, Australia, Thailand, Malaya, Indonesia and Brazil. In spite of all these efforts, wooden sleepers can meet only about one-third of our total requirement of sleepers, and the Railways have, therefore, been forced to use metal sleepers which also cannot be procured in sufficient quantities. It is proposed now to use concrete sleepers also, in big yards to start with.

19. The House must be aware that the Government of India have approached the World Bank for a loan to help finance the Railway Plan, and that, following the conversations in Washington last winter between the World Bank and a mission of Railway officers, a team of experts was sent out by the World Bank to study conditions on Indian Railways on the spot. This team has submitted its report to the World Bank, and a mission including two Members of the Railway Board is proceeding to Washington immediately to finalise the loan negotiations. It is hoped that the loan will provide substantial relief from the foreign exchange difficulties besetting the Railway Plan.

20. During the year under review there was serious damage due to abnormal floods, especially on the Northern, North-eastern, Central and Southern Railways There were two cases of unfortunate accidents to trains carrying passengers at railway bridges due to the bridge approaches being washed away by high and unprecedented floods, one near Ariyalur on the Southern Railway and the second near Mahbubnagar on the Central Railway. Commissions of Enquiry were appointed to investigate into the causes of these accidents. The Commissions' reports have been received and very carefully studied and the conclusions of the Ministry thereon are embodied in the Notifications which have been published for general information.

21. Turning now to other aspects of railway administration, I had occasion to mention in my reply to the Budget discussions in March that two or three alternative proposals were being considered for the introduction for railway staff of the pension system of retirement benefits in place of the existing provident fund *cum*-gratuity system. I am now in a position to say that definite proposals have since been formulated which I intend discussing in the near future with the representatives of organised labour.

22. Another matter mentioned during the March Session was the improvement of the channels of promotion of members of the Class IV staff in their own class and into the Class III Service. A committee has since been appointed to review the channels of promotion of these staff, with Shri G. D. Tapase as Chairman, and a number of senior officers representing the Railway and Posts and Telegraphs

Departments and the Planning Commission and two representatives of labour as members. The committee is expected to start work immediately.

23. The question of improved housing and other amenities, for Railway staff has been in the forefront, both in the first and in the second Five Year Plans. A little over 40,000 staff quarters were built during the first Five Year Plan. About 15,000 quarters were built last year, 15,000 quarters more are again programmed for the current year and it is anticipated that at the end of the second Five Year Plan 64,50c new quarters will have been added to the number at the commencement of the Plan. The policy is to provide quarters not only for essential staff, who are liable to be called out for duty at any time of the day or night and, therefore, require to live near the places of their work, but also to other staff in areas where housing is difficult due to lack of private enterprise. In addition to building new quarters, improvements to existing quarters have been undertaken on a large scale, such as by substitution of better types of quarters for the old, and provision of amenities like water-borne sanitation and electrification.

24. Though education is the responsibility of State Governments, Railway Administrations have, in the interest of the children of staff at stations where educational facilities were inadequate, opened a number of schools which are being maintained entirely from railway revenues. The necessity for the expansion of these facilities has formed the subject of discussion between the National Federation of Indian Railwaymen and the Railway Board and a survey of large colonies has just been completed for the purpose of estimating the additional number of primary schools that should be opened to, cater for the needs of the children of railway employees. Negotiations with local bodies and State Governments are at present being conducted to settle the terms on which the primary schools that are required will be opened.

25. In addition to the opening of primary schools in large railway colonies where educational facilities do not exist, it seems desirable that some provision should also be made for meeting the educational needs of the children of railway employees stationed at outlying places which have no schools in the neighbourhood and where the number of children of railway staff does not justify the opening of schools by or with the assistance of the Railway Administrations. I have decided tentatively that, to start with, one residential schools with primary as well as secondary classes should be opened in each linguistic area to cater for the needs of employees posted outside their own linguistic areas or at stations where adequate educational facilities do not exist or cannot be provided. My intention is that such schools should be constructed and run on an austerity basis. An investigation into this problem is being commenced forthwith.

26. In his speech introducing the Budget for 1956-57 my predecessor mentioned the appointment of an officer in the Railway Boards' Office to review the existing medical arrangements on Railways and to plan for future expansion. I am glad to say that this review has been completed and the plans for future expansion of medical facilities on Railways have been drawn up. An indication of the proposed expansion in some directions has already been given in the White Paper.

27. I would like to refer in particular to the facilities for the treatment of Railwaymen suffering from T.B. In tackling this disease early diagnosis and treatment are extremely important. To enable incipient T.B. infections to be detected and treated in the initial stages of the disease, it has been planned to set up 80 Chest Clinics, and of these 33 are already in operation. We are at the same time doing all we can to augment the facilities for the treatment of advanced T.B. patients in sanatoria. My predecessor stated in February 1956, that 220 beds had been reserved for Railway employees in different Sanatoria. As has been mentioned in the White Paper, this figure has now gone up to 646 beds sanctioned, which we propose to increase by March 1961 to about 1350.

28. In the past, the medical facilities provided on Railways concentrated mainly on the curative aspects of medicine. According to modern concepts the preventive aspect of medicine is equally important. This has been recognised on Railways by the decision to convert existing dispensaries into health units and to build new ones. The necessity for devoting whole time attention at the senior officers' level to health work has been recognised by the creation of a post of District Medical Officer of Health at the headquarters of each Railway.

29. The proposal to which a reference was made while presenting the Budget in February 1956 for the association of surgeons and physicians of repute with the headquarters hospitals of Railways is materialising. Arrangements are about to be completed for such specialists to be attached to the Northern Railway Central Hospital recently opened in Delhi.

30. The House is aware of the pre-eminent position which the Railways occupied in the field of sports and atheletics in the years gone by. For a few years during and after the war they were unable to devote much time and attention to such activities, but within the last four years they have, on the inspiration of my predecessor, Shri Lal Bahadur Shastri, entered the field again, and I am glad to say they have restored their old traditions by winning the National Championships in Weight-lifting and Hockey. The championship in Hockey has been won after 27 years. More recently, the Central Railway won the Invitation Gold Cup, for which teams of all-India repute compete by invitation. In the field of athletics railwaymen have set up and improved upon all-India records and they have also represented the country in international games. On my suggestion, the Railways organised during Railway Week this year exhibitions of photography, painting and handicrafts and also staged cultural programmes of drama, dance and music, in which a large number of artists drawn from among railwaymen and their families all over the country participated. I was greatly impressed by the wealth of talent among railwaymen- and I expect such a cultural meet will hereafter be an annual event.

31. Thus it will be seen that every endeavour is being made within the existing limitation of funds and other resources to ameliorate the living conditions of the railway employees in all possible ways. In doing so, we have to bear in mind the general standard prevalent in our country and work with this background. It must not be forgotten that we have undertaken a stupendous task in trying to raise the economic standard of millions of people as quickly as possible. This task can be successful only if all sections of our people give of their best, always bearing in mind the interests of the country above those of any particular group, section or state. The achievements of the Railways during the First Five Year Plan and the dedicated work which has enabled Railwaymen to record striking improvements in Railway operation leave no room for doubt that, in this critical period in the economic evolution of new India, Railwaymen will be second to none in their devotion to duty and their spirit of sacrifice. I do not want to miss this opportunity to express my thankfulness to all railwaymen. I have full confidence that they will render even a better account of themselves in the fulfilment of the still bigger tasks lying ahead of them.

GOVERNMENT OF INDIA

BUDGET

of the

Railway Revenue and Expenditure of the Central Government For 1957-58

MINISTRY OF RAILWAYS,	N.C. DEB,
New Delhi, the 14th May 1957.	*for Financial Commissioner for Railways.*

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1.—Statement of the Revenue of the Central Government from Railways.

(In thousands of rupees)

HEADS OF REVENUE	Accounts 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase(+) Decrease(—) as compared with Budget 1956-57	Budget Estimate, 1957-58
	Rs.	Rs.	Rs.	Rs.	Rs.
XV.—Indian Government Railways—					
Gross Receipts—					
Passenger Earnings—					
Upper	12,85,15	12,00,00	13,00,00	1,00,00	13,75,00
Third	94,85,76	99,40,00	102,50,00	3,10,00	105,25,00
Other Coaching Earnings	20,86,58	21,80,00	21,40,00	—40,00	24,90,00
Goods Earnings . .	180,28,34	205,50,00	206,50,00	1,00,00	226,50,00
Sundry Other Earnings .	6,81,33	6,40,00	7,35,00	95,00	8,10,00
TOTAL EARNINGS . .	315,67,16	345,10,00	350,75,00	5,65,00	378,50,00
Suspense	61,90	—10,00	—75,00	—65,00	—60,00
Gross Receipts of Indian Government Railways .	(a) 316,29,06	(b) 345,00,00	(c) 350,00,00	5,00,00	(d) 377,90,00
Deduct—					
Working Expenses of Indian Government Railways .	257,95,08	269,10,15	274,03,04	4,92,89	288,85,46
Payment to Worked Lines—					
(*i*) Net earnings .	26,49	20,24	31,26	11,02	31,06
(*ii*) Rebate etc. . .	10	9	..	—9	..
Net Receipts . .	58,07,39	75,69,52	75,65,70	—3,82	88,73,48
XVI.—Subsidised Companies—					
Government share of surplus profits, etc. . . .	2,17	3,36	8,09	4,73	3,58
XVI-A.—Miscellaneous Railway Receipts—					
Miscellaneous receipts .	2,22	1,47	35,18	33,71	12,59
XVI-B.—Transfer from Railway Revenue Reserve Fund . .	..	..	..	..	..
TOTAL RECEIPTS . .	58,11,78	75,74,35	76,08,97	34,62	88,89,65

(*a*) Includes 60,66 earnings of worked lines.
(*b*) ,, 45,94 ,, ,, ,, ,,
(*c*) ,, 59,22 ,, ,, ,, ,,
(*d*) ,, 59,28 ,, ,, ,, ,,

2.—Statement of the Expenditure on Railways met from the Revenues of the Central Government.

(In thousands of rupees)

Heads of Expenditure	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase(+) Decrease(—) as compared with Budget, 1956-57	Budget Estimate, 1957-58
	Rs.	Rs.	Rs.	Rs.	Rs.
15. Indian Government Railways—					
Interest—					
On Government Capital-at-Charge . . .	..	..	..	..	..
On Capital contributed by Indian States and Companies	..	..	..	..	..
TOTAL INTEREST . .	..	..	..	..	..
15. (C) Subsidised Companies—					
Land	7	7	8	1	..
Subsidy	5,16	7,55	6,46	—1,09	11,25
15. (D & E) Miscellaneous Railway Expenditure . . .	1,75,62	2,18,43	2,13,80	—4,63	2,44,18
15. (I) Open Line Works—Revenue	5,96,98	10,82,49	9,24,48	—1,58,01	11,72,38
15. (F) Appropriation to Railway Revenue Reserve Fund from Surplus	7,14,17	..	..	..	..
15. (H) Appropriation to Railway Development Fund from Surplus	7,07,92	22,99,37	26,95,00	3,95,63	30,83,11
15. (J) Appropriation to Railway Depreciation Reserve Fund from Surplus . . .	..	..	..	..	
15. (K) Dividend to General Revenues	36,11,86	39,66,44	37,69,15	—1,97,29	43,78,73
TOTAL . .	58,11,78	75,74,35	76,08,97	34,62	88,89,65

3.—Distribution of Railway Surplus, 1956-57 and 1957-58.

(In thousands of rupees)

	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
	Rs.	Rs.	Rs.	Rs.
Surplus	14,22,09	22,99,37	26,95,00	30,83,11
Railway Development Fund . . .	7,07,92	22,99,37	26,95,00	30,83,11
Railway Revenue Reserve Fund . . .	7,14,17	..	..	..
Railway Depreciation Reserve Fund . .	..	..	..	..

4.—Statement of the Capital Expeniture of the Central Government on Railways

(In thousads of rupees)

HEADS OF EXPENDITURE	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase(+) Decrease(—) as compared with Budget 1956-57	Budget Estimate, 1957-58
	Rs.	Rs.	Rs.	Rs.	Rs.
Railway Capital not met from Revenue—					
67.—Construction of State Railways—					
Open Line Works—					
Rolling Stock . .	42,34,18	64,31,76	66,92,30	2,60,54	67,64,30
Other Works . . .	10,72,78	16,26,77	12,25,07	—4,01,70	38,97,38
New Construction . .	6,22,95	14,25,68	11,07,34	—3,18,34	19,11,50
Suspense	7,14,86	34,53,45	12,38,89	—22,14,56	12,55,35
Miscellaneous . . .	1,06,99	1,25,00	1,17,11	—7,89	2,80,00
Probable Savings . .	..	—17,19,78	..	17,19,78	—16,91,43
TOTAL . .	67,51,76	113,42,88	103,80,71	—9,62,17	124,17,10

5.—Statement of the Capital Expenditure of the Central Government on Vizagapatam Port.

(In thousads of rupees)

HEADS OF EXPENDITURE	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57 *	Increase(+) Decrease(—) as compared with Budget, 1956-57
	Rs.	Rs.	Rs.	Rs.
Vizagaptam Harbour Capital not met from Revenue :—				
73.—Capital Outlay on Vizagapatam Port—				
I. Land	8	40	4	—36
II. Waterways	1,85	..	1	1
III. Docks and Berths	—62	..	9	9
IV. Broad Gauge Railways	51	..	2	2
V. Ferries	..	..	..	..
VI. Manganese Facilities	61	1,50	13	—1,37
VII. Plant	1,26	3,47	35	—3,12
VIII. Floating Crafts	.	1,20	1,04	—16
IX. Buildings	2,42	4,58	66	—3,92
X. Oil Facilities	47,60	1,04,00	14,73	—89,27
XI.—Suspense	—1,20	.	—3,18	—3,18
TOTAL	52,51	1,15,15	13,89	—1,01,26

*Represents outlay to end of September 1956 just prior to the transfer of control of the Port to the Ministry of Transport.

A—RAILWAY DEPRECIATION RESREVE FUND

(In thousand of rupees)

	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58		Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening Balance . .	*100,68,70	100,74,77	†99,87,28	103,08,05	Appropriation from Depreciation Reserve Fund .	45,89,37	45,42,07	45,72,03	49,73,56
Appropriation to Depreciation Reserve Fund .	(a) 45,41,37	(b) 45,46,16	(c) 45,63,36	(d) 45,68,37	Closing Balance . .	103,47,15	104,09,38	103,08,05	102,40,38
Interest on Depreciation Reserve Fund . .	3,26,45	3,30,52	3,29,44	3,37,52					
TOTAL . .	149,36,52	149,51,45	148,80,08	152,13,94	TOTAL .	149,36,52	149,51,45	148,80,08	152,13,94

*Includes 9,40,30 (Provisional) on account of Indian State Railways taken over from 1-4-1950.
(a) Includes 41,37 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works.
(b) Includes 46,16 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works.
(c) Includes 63,36 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works (48,03) and Integral Coach Factory (15,33).
(d) Includes 68,37 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works (50,00) and Integral Coach Factory (18,37).
†Excludes 359·87 lakhs on account of proposed adjustment in the current year of the difference between *ad hoc* and revised balances on 15-8-1947 (276·03) and the interest thereon (83·84).

B—RAILWAY REVENUE RESERVE FUND

(In thousands of rupees)

	Accounts 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58		Accounts 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate 1957-58
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening Balance	(a) 38,36,08	(d) 46,88,58	(c) † 46,79,69	(g) 48,34,02	Appropriation from Railway Revenue Reserve Fund.	—2,08	..	..	..
Appropriation to Railway Revenue Reserve Fund from Surplus etc.	7,14,17	..	..	50(g)					
Interest on Railway Revenue Reserve Fund	(b) 1,36,47	(e) 1,53,59	(f) 1,54,33	(h) 1,61,27	Closing Balance	(c) 46,88,80	(d) 48,42,17	(g) 48,34,02	(i) 49,95,79
TOTAL	46,86,72	48,42,17	48,34,02	49,95,79	TOTAL	46,86,72	48,42,17	48,34,02	49,95,79

(a) Includes 50·35 lakhs on account of investment in shares of and loans to Branch Line Companies, and 221·67 lakhs (provisional) on account of Indian State Railways taken over from 1-4-1950.
(b) Includes 1·77 lakhs on account of interest and dividends and gain etc., on investments.
(c) Includes 50·66 lakhs on account of investments in shares of and loans to Branch Line Companies.
(d) Icludes 52·08 lakhs on account of investments in shares of and loans to Branch Line Companies.
(e) Includes 1·49 lakhs on account of interest and dividends etc., on investments.
(f) Includes 1·67 lakhs on account of interest and dividends etc., on investments.
(g) Includes 58·16 lakhs on account of investments in shares of and loans to Branch Line Companies.
(h) Includes 1·49 lakhs on account of interest and dividends etc., on investments.
(i) Includes 43·97 lakhs on account of investments in shares of and loans to Branch Line Companies.
(j) Represents net gain expected to be realised on cancellation of investments in Branch Line Shares.
†Excludes 9·11 lakhs on account of the proposed adjustment in the current year of the difference between *ad hoc* and revised balance on 15-8-1947 (6·99) and the interest thereon (2·12).

C—RAILWAY DEVELOPMENT FUND

(In thousands of rupees)

	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58		Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening Balance .	* 17,53,72	8,06,62	†12,94,09	20,98,11	Appropriation from Development Fund .	12,13,81	22,16,71	19,46,04	32,36,96
Appropriation to Development Fund from Surplus	7,07,92	22,99,37	26,95,00	30,83,11	Closing Balance	12,96,61	9,17,09	20,98,11	20,11,77
Interest on Development Fund	48,77	27,81	55,06	67,51					
TOTAL . .	@25,10,42	31,33,80	40,44,15	52,48,73	TOTAL	25,10,42	31,33,80	40,44,15	52,48,73

*Includes 55·62 (Provisional) on account of Indian State Railways taken over from 1-4-1950.

% Difference of 1 is due to rounding off.

†Excludes 2·52 lakhs on account of proposed adjustment in the current year of the difference between *ad hoc* and revised balances on 15-8-1947(1·92) and the interest thereon (·60).

Explanatory Note on Demands for Grants for 1957-58

The statement on the two succeeding pages shows the amount of provision for 1957-58 proposed in March 1957, the amount of the demand as now recommended by the President and the demand submitted for the vote of the Parliament after deducting the amount already voted 'On Account'. It will be observed that changes have been proposed in the Demands for grants only in respect of the following demands the reasons for which are also briefly indicated below :—

Demand No. 7

An increase of 1·02 crores has been made in this demand to cover the effect of the doubling of the present 6 1/4 per cent. supplementary charge on the freight rate on coal.

Demand No. 8

An increase of about 2·81 lakhs has been made in the 'charged' portion of Suspense with a corresponding reduction in the 'voted' portion.

Demand No. 9

As a result of a review of requirements under Suspense on the Southern Railway and the introduction of the new procedure on the Central Railway which is being given effect to from 1-3-1957 of passing all payments for stores Bills through the head 'Purchases' under Miscellaneous Advances (Capital) under Demand No. 16 instead of through the Revenue Suspense head in Demand No. 9, it has become possible to reduce the provision under Suspense (Gross) to the extent of 138·74 lakhs in this demand.

But it has been found necessary to make an additional provision of 39·73 lakhs on the Southern Railway to cover bonus to be credited with retrospective effect to the Provident Fund accounts of temporary employees on their completing three years' service, the requirement of which could not be anticipated precisely in March.

A reduction of 2·81 lakhs has been made in the 'charged' portion of 'Suspense' on the Eastern Railway with a corresponding increase in the 'voted' portion.

The net revenue expenditure (taking into account the credits or recoveries outside the demand) is, however, at the same level as in March.

Demand No. 15

The demand for grant was estimated in March last at 20·78 crores. It has now been reduced by about 2·65 crores, mainly because of (i) a reduction in the scope of phase 1 of the Chandrapura-Muri-Bondamunda line ; (ii) delay in the finalisation of the alignment of branch lines in the Karanpura coalfields for want of final data of actual coal workings; (iii) less expenditure likely to be incurred on the Baraset-Basirhat line consequent on the sanction to the construction being withheld for a period pending a fresh assessment of traffic prospects, which resulted in the loss of the working season before the monsoon, and (iv) the adjustment of the Railway portion of the cost of the bridge over the Mahanadi at Hirakud provided for in the current year having been carried out in the accounts for 1956-57 at the instance of the Ministry of Irrigation and Power.

Demand No. 16

The demand for grant for the whole year was estimated in March at 371·85 crores. The demand now presented is for 371·72 crores. An important change made in this demand is the inclusion of provision in the current year for the purchase of the Bombay Government's plant in the Chola Powerhouse, since the 'on account payment which was proposed to be made in March could not be made pending

finalisation of the basis of valuation of the plant. Another change is that certain works originally included in this demand have now been transferred to Demand No. 17 as transpired that their estimated cost contains an element of expenditure on replacement. The provision for expenditure under Stores and Manufacture Suspense has also been adjusted on the basis of the latest estimates of requirements. These two decreases have largely absorbed the tentative provision now made for the Chola Powerhouse plant. As a result of these and other minor changes, the figure of the demand has been reduced by 13·24 lakhs and it now stands at 371·72 crores.

Demand No. 17

The demand under this grant has been increased by 86·01 lakhs over the figure of 63·10 crores at which it stood in March last, the reason for the increase being the transfer referred to earlier of certain works from demand No. 16 to this demand.

These cha geshave, however, not affected the net expenditure of 218 crores for works spread over demand Nos. 13, 14, 15, 16, 17 & 18.

Demand No. 20

The increase of 9·40 crores under this Demand is due to the appropriation of the higher surplus, corresponding to the increase in earnings, to the Development Fund.

Schedule of Demands

SCHEDULE

Number of Demand	Name of Demand	Amount of provision proposed in March 1957	
		Voted	*Charged*
		Rs.	Rs.
1	Railway Board	71,48	..
2	Miscellaneous Expenditure . . .	1,69,35	*4,27*
3	Payments to Worked Lines and Others .	43,26	..
4	Working Expenses—Administration .	30,71,16	..
5	Working Expenses—Repairs & Maintenance	93,91,98	..
6	Working Expenses—Operating Staff .	59,39,18	..
7	Working Expenses—Operation (Fuel) .	49,73,81	..
8	Working Expenses—Operation other than Staff and Fuel	16,87,17	*38,40*
9	Working Expenses—Miscellaneous Expenses	25,95,80	*27,58*
10	Working Expenses—Labour Welfare .	7,17,66	..
11	Working Expenses—Appropriation to Depreciaton Reserve Fund . .	45,00,00	..
12	Dividend payable to General Revenues .	43,78,73	..
13	Open Line Works (Revenue)—Labour Welfare	1,03,33	..
14	Open Line Works (Revenue)—Other than Labour Welfare	10,69,26	..
15	Construction of New Lines . .	20,78,05	..
16	Open Line Works—Additions . .	371,85,40	..
17	Open Line Works—Replacements . .	63,10,34	..
18	Open Line Works—Development Fund .	32,36,96	..
19	Capital outlay on Vizagapatam Port . .	..	..
20	Appropriation to Development Fund .	21,43,11	..
21	Appropriation to Revenue Reserve Fund .	..	..
22	Withdrawal from Revenue Reserve Fund .	..	..
	TOTAL .	896,66,03	*70,25*

OF DEMANDS

(In thousands of Rupees)

Amount of Demand as now recommended by President (Including the Vote-on-account already taken)		Amount voted 'on Account'		Balance	
Voted	*Charged*	Voted	*Charged*	Voted	*Charged*
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
71,48	..	29,78	..	41,70	..
1,69,35	*4,27*	70,56	*1,78*	98,79	*2,49*
43,26	..	18,03	..	25,23	..
30,71,16	..	12,79,65	..	17,91,51	..
93,91,98	..	39,13,33	..	54,78,65	..
59,39,18	..	24,74,66	..	34,64,52	..
50,76,06	..	20,72,42	..	30,03,64	..
16,84,36	*41,21*	7,02,99	*16,00*	9,81,37	*25,21*
24,99,60	*24,77*	10,81,58	*11,50*	14,18,02	*13,27*
7,17,66	..	2,99,03	..	4,18,63	..
45,00,00	..	18,75,00	..	26,25,00	..
43,78,73	..	..	..	43,78,73	..
1,03,33	..	43,05	..	60,28	..
10,69,26	..	4,45,53	..	6,23,73	..
18,13,23	..	8,65,85	..	9,47,38	..
371,72,16	..	154,93,91	..	216,78,25	..
63,96,35	..	26,20,31	..	37,67,04	..
32,36,96	..	13,48,73	..	18,88,23	..
..	..	..	..	..	..
30,83,11	..	..	..	30,83,11	..
..	..	..	..	..	..
..	..	..	..	..	..
904,17,22	*70,25*	346,43,41	*29,28*	557,73,81	40,97

THE APPROPRIATION (RAILWAYS) No. 2 BILL, 1957

(AS INTRODUCED IN LOK SABHA)

A

BILL

to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1957-58 *for the purposes of Railways.*

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows:—

1. **Short title.**—This Act may be called the Appropriation (Railways) No. 2 Act, 1957.

2. **Issue of Rs. 9,04,87,47,000 out of the Consolidated Fund of India for the financial year 1957-58.**—From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate [inclusive of the sums specified in column 3 of the Schedule to the Appropriation (Railways) Vote on Account Act, 1957 (9 of 1957)] to the sum of nine hundred and four crores, eighty-seven lakhs and forty-seven thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1957-58 in respect of the services relating to Railways specified in column 2 of the Schedule.

3. **Appropriation.**—The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

254—F—10

THE SCHEDULE

(*See* sections 2 and 3)

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding.		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Railway Board . . .	71,48,000	..	71,48,000
2	Miscellaneous Expenditure .	1,69,35,000	*4,27,000*	1,73,62,000
3	Payments to Worked Lines and others	43,26,000	..	43,26,000
4	Working Expenses— Administration	30,71,16,000	..	30,71,16,000
5	Working Expenses— Repairs and Maintenance . . .	93,91,98,000	..	93,91,98,000
6	Working Expenses—Operating Staff . . .	59,39,18,000	..	59,39,18,000
7	Working Expenses— Operation (Fuel)	50,76,06,000	..	50,76,06,000
8	Working Expenses— Operation other than Staff and Fuel .	16,84,36,000	*41,21,000*	17,25,57,000
9	Working Expenses—Miscellaneous Expenses	24,99,60,000	*24,77,000*	25,24,37,000
10	Working Expenses—Labour Welfare	7,17,66,000	..	7,17,66,000
11	Working Expenses— Appropriation to Depreciation Reserve Fund	45,00,00,000	..	45,00,00,000
12	Dividend Payable to General Revenues	43,78,73,000	..	43,78,73,000
13	Open Line Works (Revenue)— Labour Welfare . . .	1,03,33,000	..	1,03,33,000
14	Open Line Works (Revenue)— Other than Labour Welfare .	10,69,26,000	..	10,69,26,000
15	Construction of New Lines . .	18,13,23,000	..	18,13,23,000

1	2	3		
		Sums not exceeding		
No. of Vote	Service and purposess	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
16	Open Line Works- Additions	3,71,72,16,000	..	3,71,72,16,000
17	Open Line Works– Replacements	63,96,35,000	..	63,96,35,000
18	Open Line Works– Development Fund	32,36,96,000	..	32,36,96,000
20	Appropriation to Development Fund	30,83,11,000	..	30,83,11,000
	TOTAL	9,04,17,22,000	*70,25,000*	9,04,87,47,000

STATEMENT OF OBJECTS AND REASONS

This Bill is introduced in pursuance of article 114(1) of the Constitution of India, to provide for the appropriation out of the Consolidated Fund of India of the moneys required to meet the expenditure charged on the Consolidated Fund and the grants made by Lok Sabha in respect of the estimated expenditure of the Central Government on Railways, for the financial year 1957-58.

JAGJIVAN RAM.

NEW DELHI;
The 5*th July*, 1957.

LOK SABHA

A

BILL

to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1957-58 for the purposes of Railways.

The President has, in pursuance of clauses (1) and (3) of article 117 of the Constitution of India, recommended to Lok Sabha, the introduction and consideration of the Bill.

M. N. KAUL,
Secretary

(*Shri Jagjivan Ram,
Minister of Railways*)

THE APPROPRIATION (RAILWAYS) ACT, 1957

AN

ACT

to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1957-58 *for the purposes of Railways.*

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows:—

1. Short title.—This Act may be called the Appropriation (Railways) No. 2 Act, 1957.

2. Issue of Rs. 9,04,87,47,000 out of the Consolidated Fund of India for the financial year 1957-58.—From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate [inclusive of the sums specified in column 3 of the Schedule to the Appropriation (Railways) Vote on Account Act, 1957 (9 of 1957)], to the sum of nine hundred and four crores, eighty-seven lakhs and forty-seven thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1957-58 in respect of the services relating to Railways specified in column 2 of the Schedule.

3. Appropriation.—The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(*See* sections 2 and 3)

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Railway Board	71,48,000	..	71,48,000
2	Miscellaneous Expenditure . .	1,69,35,000	*4,27,000*	1,73,62,000
3	Payments to Worked Lines and others	43,26,000	..	43,26,000
4	Working Expenses—Administration	30,71,16,000	..	30,71,16,000
5	Working Expenses—Repairs and Maintenance . . .	93,91,98,000	..	93,91,98,000
6	Working Expenses—Operating Staff	59,39,18,000	..	59,39,18,000
7	Working Expenses—Operation (Fuel)	50,76,06,000	..	50,76,06,000
8	Working Expenses—Operation other than Staff and Fuel .	16,84,36,000	*41,21,000*	17,25,56,000
9	Working Expenses—Miscellaneous Expenses . .	24,99,60,000	*24,77,000*	25,24,37,000
10	Working Expenses—Labour Welfare	7,17,66,000	..	7,17,66,000
11	Working Expenses—Appropriation to Depreciation Reserve Fund	45,00,00,000	..	45,00,00,000
12	Dividend Payable to General Revenues	43,78,73,000	..	43,78,73,000
13	Open Line Works (Revenue)—Labour Welfare	1,03,33,000	..	1,03,33,000
14	Open Line Works (Revenue)—Other than Labour Welfare .	10,69,26,000	..	10,69,26,000
15	Construction of New Lines . .	18,13,23,000	..	18,13,23,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
16	Open Line Works– Addition	3,71,72,16,cco	..	3.71.72,16,000
17	Open Line Works—Replacements	63.96.35.000	..	63,96.35 ccc
18	Open Line Works- Development Fund	32,36,96.000	..	32,36.96.000
20	Appropriation to Development Fund	30,83.11,000	..	30,83.11,000
	TOTAL	9,04.17,22,000	70,25,000	9.04 87 47,cco

The above Bill has been passed by the Houses of Parliament.

I hereby certify that this Bill is a Money Bill within the meaning of article 110 of the Constitution of India.

Dated the *Speaker.*

I assent to this Bill.

Dated the 24th August, 1957 *President.*

LOK SABHA

A

BILL

To authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1957-58 for the purposes of Railways.

(*As passed by the Houses of Parliament*)

SUPPLEMENT
TO THE
EXPLANATORY MEMORANDUM
ON THE
RAILWAY BUDGET FOR 1957-58

The Railway demands for grants for 1957-58 were presented to Parliament in March 1957, for a vote "on account" under Article 116 of the Constitution to meet the estimated expenditure for the first five months of the financial year. Of the total demand of 831·44 crores, 346·43 crores were voted "on account", leaving the voting on demands for the full year to the new Parliament.

2. This memorandum is intended to supplement the explanatory memorandum forming part of the White Paper presented on 19th March 1957 and explains the changes made in the budget and the financial picture then presented, particularly in view of the enhancement of the supplementary charge on goods and parcel freights from 1st July 1957.

Background of the enhancement of the supplementary charge on freight

3. The Railways' Second Five-Year Plan was originally prepared on the basis of creating an extra transport capacity of 30 per cent. for passenger traffic and raising the capacity for goods traffic to 180·8 million tons per year, and its cost was estimated at Rs. 1,480 crores. Due, however, to the overall shortage of financial rasources for the Plan, the allotment to Railways was limited to Rs. 1,125 crores, of which the Railways were required to find a sum of Rs. 375 crores from their own revenue resources during the Plan period. The Railway Plan was then reviewed, and it was found possible within this amount to increase passenger transport capacity only by 15 per cent. and cater for only 162, million tons of goods traffic per year. It was also calculated that, on the basic fares and freights. Railways would be able to produce from their own resources only about Rs. 325 crores, including the Rs. 225 crores contributed through the Depreciation Reserve Fund, expenditure on works charged to Revenue, interest on Fund balances and Revenue surpluses. This left a gap of Rs. 50 crores, and it was decided to increase freight charges on goods and parcels traffic in all but a few commodities, by levying a supplementary charge of 6¼ per cent. from 1st April 1956, which was expected to produce enough to cover the gap of Rs. 50 crores and possibly leave a small amount over, which could be utilised for increasing goods transport capacity further.

4. The rise in the cost of labour and material since the Plan was framed has, however, been such that even the rolling stock and works required to achieve these lower targets of transport capacity would cost about Rs. 100 crores more, over and above the Rs. 40 crores provided in the Rs. 1,125 crore Plan for the higher cost of imported steel. In other words, to attain the physical targets of the Rs. 1,125 crore Plan the expenditure would have to be about Rs. 1,225 crores. There are laso clear indications that the demand for railway transport of goods expected to develop by 1960-61 is likely to exceed even the original estimate of 180·8 million tons, so that the gap between the goods transport capacity provided in the Rs. 1,125 crore Plan and the requirements of rail transport will be even wider. For increasing goods transport capacity at least to 180·8 million tons, the extra expenditure on rolling stock and works has been roughly computed at over 100 crores. The two items of extra expenditure referred to above total upto over Rs. 200 crores.

5. On present estimates, the revenue surplus at the basic fare and freight rates is somewhat higher than anticipated early in 1956, and the supplementary charge of 6¼ per cent. would bring in about Rs. 71 crores extra over the Plan period. But, even so, the resources that will be left over after bridging the initial gap of Rs. 50 crores will be a very small proportion of the extra requirement of over Rs. 200 crores for building goods transport capacity up to the anticipated demand. For the timely creation of this capacity, which is vital for the success of the Plan, extra resources have to be developed immediately. It has, therefore, been decided to double the present supplementary charge of 6¼ per cent. on goods and parcels traffic, retaining present exemption for certain commodities. This increase will have effect from 1st July, 1957.

6. The supplementary charge on goods and parcels freight is expected to continue until the end of the current calendar year by which time it is anticipated that the Freight Structure Enquiry Committee's report would have been studied in detail and decisions taken on the acceptance of the recommendations, and the preparatory work essential for the introduction of the new schedule of freight rates on the basis of these recommendations and decisions completed.

7. The extra earnings from the doubling of the supplementary charge are expected to amount to about 11·2 crores on goods traffic and 1·3 crore on parcels traffic for a full year. The estimate of traffic receipts has been increased accordingly.

Traffic receipts

8. In the estimates presented in March 1957 gross traffic receipts were placed at Rs. 368·5 crores, vide pages 23-24 of the White Paper. On account of the enhancement of the supplementary charge on goods and parcels freight from 1st July 1957, other coaching earnings are expected to increase by 90 lakhs and goods earnings by 8½ crores during the last nine months of the current year, the total increase being 9·4 crores, The estimate of gross traffic receipts therefore now stands at 377·90 crores, as detailed below.

(In crores of rupees)

Particulars	Actuals, 1955-56	Revised estimate, 1956-57	Budget estimate, 1957-58	
			As presented in March 1957	**As now proposed**
Passenger earnings :				
Upper	12·85	13·00	13·75	**13·75**
Third	94·86	102·50	105·25	**105·25**
Other coaching earnings . .	20·87	21·40	24·00	**24·90**
Goods earnings	180·28	206·50	218·00	**226·50**
Other sundry earnings . . .	6·81	7·35	8·10	**8·10**
Suspense	0·62	—0·75	—0·60	**—0·60**
TOTAL . . .	316·29	350·00	368·50	**377·90**

Working expenses

9. The estimate of total ordinary working expenses for 1957-58 appearing on pages 26-27 of the White Paper remains unchanged at 243·85 crores (net). There have been some changes in the figures of demands 7 and 9 due to some adjustments since found necessary. The change in the former is due to the addition of 1·02 crores to provide for the additional freight consequent on the doubling of the supplementary charge of 6¼ per cent. on the transport of coal, since movement of Railway coal is also being charged at the public tariff rate. There is extra provision of 40 lakhs in demand 9 for Government contribution to the Provident Fund of employees who have completed three years' temporary service, which could not be estimated precisely earlier. This has, however, been absorbed in the reduction of 1·39 crore under Suspense in the same demand, owing partly to a review of the provision required on the Southern Railway and partly to the transfer of the provision in respect of transactions relating to payment of certain stores bills to Purchases—Capital Suspense as a result of a change in procedure introduced on the Central Railway. There have also been some minor changes in the provision for individual railways but these do not affect the total provision required under the demands. Details of the important changes by demands have been given in the explanatory note to the Demand Book. The details of working expenses, after these minor alterations, are shown in the table below.

(In crores of rupees)

	Actuals, 1955-56	Revised estimate, 1956-57	Budget estimate, 1957-58	
			As presented in March 1957	**As now proposed**
Demand No. 4.—Administration	31·56	34·60	30·71	**30·71**
Demand No. 5.—Repairs and Maintenance	80·38	86·16	93·92	**93·92**
Demand No. 6.—Operating Staff .	49·73	52·66	59·39	**59·39**
Demand No. 7.—Operation (Fuel).	39·00	45·14	49·74	**50·76**
Demand No. 8.—Operation other than Staff and Fuel . . .	14·70	15·72	17·25	**17·25**
Demand No. 9.—Miscellaneous Expenses	32·18	28·43	26·23	**25·24**
Demand No. 10.—Labour Welfare.	5·31	6·27	7·18	**7·18**
TOTAL . . .	252·86	268·98	284·42	**284·45**
Credits or recoveries . . .	—39·91	—39·95	—40·57	**—40·60**
NET . .	212·95	229·03	243·85	**243·85**

10. There is no change in the estimates of "miscellaneous transactions". Certain new surveys found necessary since March 1957 for projects of urgent operational importance have been included in annexure B to Demand 2, but the total provision in that demand for surveys has not been increased, the expenditure on the new surveys being provided for by adjustments within the original estimates of the overall expenditure on surveys during the year.

11. The important financial figures of the budget as now presented are compared in the table below with those presented in March 1957 and the figures for the previous two years.

(In crores of rupees)

	Actuals, 1955-56	Revised estimate, 1956-57	Budget estimate, 1957-58	
			As presented in March 1957	**As now proposed**
TRAFFIC RECEIPTS				
Gross traffic receipts	316·29	350·00	368·50	**377·90**
WORKING EXPENSES				
Ordinary working expenses	212·95	229·03	243·85	**243·85**
Appropriation to Depreciation Reserve Fund	45·00	45·00	45·00	**45·00**
Payments to worked lines	0·27	0·31	0·31	**0·31**
TOTAL—WORKING EXPENSES	258·22	274·34	289·16	**289·16**
Net traffic receipts	58·07	75·66	79·34	**88·74**
MISCELLANEOUS TRANSACTIONS				
Receipts	0·04	0·43	0·16	**0·16**
Expenditure	7·77	11·45	14·28	**14·28**
NET MISCELLANEOUS EXPENDITURE	7·73	11·02	14·12	**14·12**
NET RAILWAY REVENUES	50·34	64·64	65·22	**74·62**
Dividend to General Revenues	36·12	37·69	43·79	**43·79**
NET GAIN OR SURPLUS	14·22	26·95	21·43	**30·83**

Surplus and Reserves

12. It will be noticed that there is an increase of 9·40 crores in the surplus corresponding to the increase in earnings. It is proposed to appropriate this additional amount also to the Development Fund, which requires strengthening in view of the very heavy expenditure anticipated from the Fund in relation to the balance in it. The Fund is now expected to close the year with a balance of 20·12 crores instead of 10·56 crores previously estimated.

Expenditure on works, machinery and rolling stock programme of railways

13. The amount of expenditure on works has been retained at the same figure as in March. But the anticipation in March that an "on account" payment would be made for the Bombay Government Plan in the Chola Power-house did not materialise since negotiations about the basis of valuation of the plant could not be finalised within the year. A provision of 3·30 crores has been tentatively made in demand 16 for this item, utilising 40 lakhs available within the demand due to reduction in the provision for the Chittaranjan Locomotive Works, and the reduction of 2·90 crores in the provision under demand 15, in conformity with present anticipations of expenditure during the year on certain constructions on the Eastern Railway. Important details of the changes in the figures of individual demands for works expenditure have been given in the note to the Demand Book.

N. C. DEB,

for Financial Commissioner, Railways.

New Delhi;

14*th May*, 1957.

PART II—GENERAL BUDGET

Speech of the Finance Minister on introducing the Budget for 1957-58

Sir,

I rise to present the budget of the Central Government for the year 1957-58. In 1952, under similar circumstances, my predecessor presented an interim budget. Its main purpose is to place before Parliament, an account of the finances of the Central Government for the current year and to obtain from the House a vote on account to meet Government's expenditure until the new Parliament considers the budget again.

2. The White Paper on the budget which is being circulated separately attempts to give a review of major economic developments during the year. It is, therefore, not necessary for me to cover the whole ground over again.

3. The year under review has been a year of some strain from the point of view both of internal and of external resources. Domestic prices as well as the balance of payments have been under pressure, mainly as a result of the growing tempo of developmental activity. The decline in agricultural production in 1955-56 and external factors, such as the closure of the Suez Canal have added to the strain on the economy. The White Paper mentions the various measures we have taken in the last few months to bring the situation under control, and I have every hope that these measures will prove effective in due course.

4. The outlook on internal prices depends considerably on the level of agricultural production, and Government are fully seized of the urgency and importance of achieving better results in this sphere. Price stability also requires control over credit and a budgetary policy which restricts the purchasing power in the hands of the public. We have taken steps recently to apply selective credit controls, while taking care at the same time not to cut down unduly the supply of credit needed for the expansion programmes in the private sector. Basically, what we need is more savings, not less investments. In the matter of budgetary policy, I must say I am not happy with the size of deficit to which I shall presently be referring. In this context, the increasing demands being made on our resources by Defence requirements cannot be lightly passed over. The increase under this head as you will see, is the major element in widening the deficit on revenue account in the coming year. The overall deficit in the budget, *viz.*, Rs. 365 crores is, I am afraid, somewhat large considering the economic situation. There is certainly no slack in the economy at present which would permit a complacent view of the budgetary deficit. Defence is hardly an item on which we should like to spend more either in terms of domestic currency or of foreign exchange. If, however, the exigencies of the situation make such increases inevitable, the necessary sacrifices have to be made.

5. The crucial problem at this juncture, however, is that of foreign exchange. The Second Five Year Plan with its emphasis on the development of industry, mining and transport has a large foreign exchange component, and it now appears that the deficit in the balance of payments over the Plan period will be larger than was originally estimated. This is due both to the increase in the prices abroad and to the expansion

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of the projects included in the Plan. In fact, the draft on our foreign exchange resources has already been heavier than we had expected; since April 1956, this has amounted to about Rs. 260 crores. This strain on the balance of payments has necessitated the stiffening of import policy which was announced in January.

6. The foreign exchange situation as I now see it for the Plan period is briefly as follows. The total deficit in balance of payments over the Plan period is likely to be about Rs. 400 crores more than was envisaged in the Plan. Taking into account the external finance that might be available for our various projects and the balance available from the authorisations of the First Plan period, we have in hand foreign exchange of the order of Rs. 450 crores to meet our requirements. With this, and assuming the continuance of aid from the U.S.A. and Colombo Plan countries more or less on the present scales and allowing for a moderate amount of private foreign investment coming in, we may take the total of resources in sight at about 50 per cent of the total requirements. We are at present negotiating with the International Bank for Reconstruction and Development in respect of loans to cover the foreign exchange needs of several of our development projects. We are also exploring possibilities of deferred payments in respect of our imports of capital goods from various countries. On the whole, the prospects of our being able to raise the foreign exchange resources for the Plan are not altogether discouraging. This, of course, is not to say that the task is by any means easy.

7. For tiding over the period which must necessarily elapse before the new import policy becomes effective, we have obtained accommodation totalling in all $ 200 million from the International Monetary Fund. The problem, I must emphasise, is not one of achieving a balance in our external accounts by just cutting down imports. The task is twofold. Firstly every care has to be taken to phase Plan expenditure in a manner that will not impose an excessive strain on the balance of payments. This requires adherence to a strict system of priorities within the general framework of the Plan. Secondly, we have to find ways and means of financing the large imports that will still be essential for the Plan, and this calls for sustained effort along several lines. The first essential step is to increase exports so as to enlarge our foreign exchange earnings and to cut down imports to the extent possible. Neither of these is possible without a sacrifice, but the sacrifice has to be made in the interests of planned development.

8. The Second Five Year Plan, needless to say, will strain the economy. But, I think at this stage it is important to think of how best to meet this strain rather than to question the basic assumptions or postulates behind the Plan. The path of development does not always run smooth. The experience of recent months only reinforces the well-known fact that the balances implicit in a Five Year programme of development have to be checked and rechecked continually in the light of experience. The balances between investment and consumption, between available external resources and the claims on them, between the final flow of goods and services and the materials required for their production can hardly be estimated precisely in advance, and unforeseen factors do arise which upset these balances from time to time. It was in recognition of this fact that the Second Plan report laid considerable emphasis on flexibility in planning and on the machinery of annual plans to provide for the necessary adjustments.

9. For the immediate present, the need is for giving top priority to schemes which increase export earnings and reduce import needs without making an excessive claim on foreign exchange resources in the immediate future. Schemes which contribute most to an early increase in agricultural production also deserve high priority; schemes which have already been commenced and on which considerable expenditure has been incurred claim, in any case, a considerable proportion of the resources available. Government intend to be guided strictly by such priority considerations in determining the phasing of Plan expenditure; first things must necessarily come first. At the same time, we have to ensure to the extent possible that development programmes which are calculated to contribute most to an increase in the productive capacity of the country and a strengthening of the long-term balance of payments do not suffer unduly. While a review and adjustment of priorities and strict adherence to them are essential in view of the limitation of resources, every care is being taken to see that the momentum gathered by the Indian economy in the last three or four years is kept up. In the making of our budgets which are essentially development-oriented,—and in the formulation of policies, this positive aspect of the tasks in hand is being constantly kept in mind.

10. I would now give a brief account of the Revised Estimates for 1956-57 and the Budget Estimates for 1957-58.

11. The current year's Budget provided for a deficit of Rs. 18·04 crores on revenue account after allowing for the modifications in the Finance Bill accepted by Parliament. I now expect that the year will close with a surplus of Rs. 37·94 crores. The improvement is largely due to better collections of revenue under Customs and Union Excise duties, the increase in the latter representing, in the main, the yield of the additional duty on cotton cloth imposed during the year. There has also been some saving in expenditure. Revenue, as a whole, is now placed at Rs. 571·49 crores, an increase of Rs. 44·10 crores over the Budget Estimates, and expenditure at Rs. 533·55 crores against the Budget figure of Rs. 545·43 crores.

12. Taking the Revenue and Capital Budgets together, the overall deficit this year is now placed at Rs. 216 crores against Rs. 356 crores assumed in the original Budget. This is the result of the improvement in the revenue account I have just referred to and a saving of about Rs. 64 crores in the provision of Rs. 386 crores made for Loans and Advances to the State Governments and other parties.

13. For the year 1957-58, I estimate revenue, at this existing level of taxation, at Rs. 636·22 crores and expenditure at 663·09 crores, leaving a deficit on revenue account of Rs. 26·87 crores. These figures are inclusive of certain self-balancing items, aggregating Rs. 38 crores, which appear on both sides and do not affect the Revenue Budget as a whole. There is thus an increase of Rs. 26·73 crores in revenue and of Rs. 91·54 crores in expenditure as compared with the Revised Estimates for the current year.

14. Of the increase of Rs. 26·73 crores in revenue next year, Rs. 8 crores represent the estimated yield of the Capital Gains Tax and the additional super-tax on companies which take effect from the 1st April 1957, and Rs. 12·4 crores the full year's effect of the increase in the duty on cotton cloth, the new duties on rayon, synthetic fibres and yarns and motor-cars levied during the year. The revenue from Customs duties will drop by Rs. 9 crores as a result of the cuts on import quotas which have

been imposed to conserve foreign exchange; but, against this, surplus profits of the Reserve Bank are expected to increase by Rs. 10 crores.

15. The total expenditure next year, excluding the self-balancing items, is estimated at Rs. 625·09 crores, of which Rs. 252·71 crores will be on Defence Services and Rs. 372·38 crores under Civil heads. The provision for Defence Services shows an increase of Rs. 49·76 crores which represents mainly purchases of essential stores for the Army and the Air Force. Civil expenditure also shows an increase of Rs. 41·78 crores over the current year's Revised Estimate, the increase being mainly in respect of nation-building, development and social services. Hon'ble Members will find the main items mentioned in the White Paper and a fuller explanation of variations in the Explanatory Memorandum circulated with the Budget papers and I need not repeat them here.

16. The provision for Capital expenditure and Loans to State Governments and others next year is placed at Rs. 772·21 crores against the current year's Revised Estimates of Rs. 636·15 crores. The increase is accounted for entirely by larger provision for the three steel plants and for Railways.

17. I have taken credit in the next year's estimates for a market Loan of Rs. 100 crores; for small savings collections of Rs. 80 crores; for foreign assistance of Rs. 135 crores and for transactions under other miscellaneous Debt, Deposit and Remittance heads of Rs. 119 crores. Allowing for these credits, the next year's Budget, taking as a whole, leaves an overall deficit of Rs. 365 crores.

18. I have mentioned earlier that I do not feel happy about a deficit of this order. The objective must be to reduce it to the extent possible by increasing the resources accruing to the public exchequer. May I, therefore, in conclusion, reiterate the point that considering the immediate requirements as well as the fact that Plan expenditure will have to be stepped up year by year, public revenues have to be enlarged steadily, and both the Centre and the States have to exert their utmost towards this ends.

WHITE PAPER

on the

BUDGET, 1957-58

This paper gives a brief account of economic conditions in the country during 1956 against the background of which the Budget for 1957-58 has been framed. It also describes the broad features of the revised estimates for 1956-57 and the Budget estimates for 1957-58.

Review of Economic Conditions

2. The year under review was the first year of the second plan and for the first time since planned development got under way the economy showed evidence of some amount of strain. Over the last three years the rate of investment in the country has been steadily increasing but financial and economic conditions remained reasonably stable. The country's economy was, however, more or less fully stretched by the end of the first plan and the increase in developmental outlay in the first year of the second plan has been followed by a signifi'ant rise in prices. The general level of wholesale prices increased by 13 per cent. in 1956 over the previous year. The year also witnessed a sizeable decline in foreign exchange reserves and the foreign assets held by the Reserve Bank of India declined by Rs. 205 crores, from Rs. 735 crores at the end of 1955 to Rs. 530 crores at the end of 1956.

3. To some extent the growing pressure on prices and balance of payments in 1956 was due to the decline in agricultural production in 1955-56 and external factors such as the closure of the Suez Canal. But essentially the recent decline in foreign exchange reserves has been a direct consequence of the increased demand for developmental goods and for the import requirements of expanding industrial production. In aggregate terms, the expansionary impact of public and private investment was largely neutralised by the deficit in balance of payments in 1956. Even so, the progressive step-up in investment which is taking place has been exerting an upward pressure on prices. and indications are that voluntary savings have not responded adequately to the increase in investment.

4. The growing signs of imbalance in the economy have necessitated a number of corrective measures in the fiscal, monetary and foreign exchange field. Among these may be mentioned additional taxation, increased supply of foodgrains, mainly through imports, restraints on expansion of bank credit for speculative purposes and drastic cuts in imports of non-essential goods. It will be some months before the full impact of these measures will be felt. Some relief may be expected in future from a somewhat larger flow of external assistance and from the higher out-turn of agricultural crops in the 1956-57 season. But it is clear that if the increasing tempo of development in the country is not to be allowed to accentuate inflationary pressures seriously, a greatly increased measure of productivity and savings must be achieved and steps taken for increasing and conserving foreign exchange earnings.

Production

5. The overall index of agricultural production (1949-50 = 100) declined by nearly 2·4 per cent. from 116·4 in 1954-55 to 113·7 in 1955-56 mainly due to less favourable weather conditions. Foodgrains output which had already declined in the previous year to 66·5 million tons from the record level of 68·8 million tons in 1953-54, declined further to 63·4 million tons in 1955-56. The decline in production was mostly accounted for by coarse grains, as rice output increased by a million tons from 24·5 to 25·5 million tons, and wheat production was only slightly less than in the previous year.

6. Among commercial crops there was a substantial increase in the production of raw jute (from 2·9 million bales to 4·1 million bales), but this was more than offset by the decline in oilseeds and cotton. The production of oilseeds declined from 6·2 million tons in 1954-55 to 5·6 million tons in 1955-56 and that of cotton from 4·2 million bales to 4 million bales, while the output of sugarcane registered a small increase from 5·8 million tons in terms of raw gur to 5·9 million tons. In the result, the overall index of commercial crops declined from 120·4 in 1954-55 to 118·7 in 1955-56.

7. On the other hand, industrial production maintained the steady upward trend of recent years, the index, with 1951 as base, rising an estimated 132·7 in 1956 as against 122·1 in 1955. The improvement was shared by both capital and consumer goods; in both categories the newer industries fared better than the old established ones. Thus, the production of cement and finished steel in 1956 at 5 million tons and 1·33 million tons exceeded the 1955 level by 9·8 and 4·2 per cent respectively as against an increase of 16·8 per cent in the production of diesel engines, of 32·5 per cent in the case of power-driven pumps and of 41·8 per cent in electric motors. Among consumer goods, the output of radio-receivers increased by 85·5 per cent; of bicycles, by 34·4 per cent; automobiles, by 39 per cent; footwear, by 5·3 per cent; mill-made cotton cloth, by 3·7 per cent; and cotton yarn, by 2·3 per cent. Coal production increased from 38·2 million tons in 1955 to 39 million tons in 1956. Sugar, which registered an increase of 20·7 per cent in production, was the one notable case of a substantial increase in production among established industries.

8. Among important export goods, the production of tea remained virtually unchanged around 660 million lbs., while that of jute textiles and tanned hides increased by 6·4 per cent and 4·7 per cent respectively. The production of mill-made cloth, at 5,280 million yards, exceeded the 1955 level by 186 million yards. Handloom cloth also registered a slight increase, from 1,454 million yards in 1955 to 1,479 million yards in 1956.

9. Along with the continuing increase in industrial production there was also a growing diversification of industries. A large variety of goods, among them some important dyes and paints, certain types of tools and a number of automobile components, were manufactured for the first time in the country in 1956. The expanding and new industries, however, depend considerably on imported raw materials and semi-manufactures. The relatively narrow range of capital goods produced in the country limits the scope for a rapid expansion in industrial output without substantial resort to imports. This difficulty can be overcome over a period by the expansion of capital goods industries which, in the short term, again requires a considerable outlay in foreign exchange.

10. Taking the economy as a whole, the supply of domestic goods and services in 1956 showed only a modest improvement over the previous year. The supply of essential consumer goods such as foodgrains and oils in 1956 was not satisfactory and the production of cotton textiles (both mill-made and handloom) showed only a small increase of the order of 3 per cent. There was a marked improvement in supplies only in the case of sugar.

Expansionary Factors

11. While domestic availabilities showed only a moderate improvement in 1956, there was a continuous expansion in demand during the year. Public expenditure, with the larger money incomes thus generated, has been a major factor in the steady growth of demand in the Indian economy in recent years. The combined expenditure of the Centre and the States increased from Rs. 1019 crores in 1953-54 to Rs. 1234 crores in 1954-55 and Rs. 1430 crores in 1955-56. The budget estimates for 1956-57 placed the total outlay of the Centre and the States at Rs. 1894 crores. The actuals are likely to be smaller but even so, the increase in public outlay over recent years has been considerable.

12. A number of steps were taken to augment public revenue with a view to limiting the inflationary potential of public expenditure. The fact, however, remains that public savings have not risen at a rate corresponding to the stepping up of public investment. There has also been little increase in the volume of private savings mobilised by government. Thus collections of small savings, which increased steadily from Rs. 39 crores in 1951-52 to Rs. 67 crores in 1955-56 amounted to Rs. 48 crores in the first eleven months of 1956-57 as against Rs. 53 crores in the corresponding period of 1955-56. The net proceeds of market loans floated by the Centre and the States this year amounted to Rs. 140·5 crores as against Rs. 82 crores in 1955-56, and Rs. 111 crores in 1954-55. Allowing, however, for the investments of the Reserve Bank, net public borrowing did not reach the average of Rs. 140 crores per year envisaged for the second plan period.

13. An increase in deficit financing is also likely in the current year. The revised estimates for 1956-57 place the deficit at the Centre (measured by the increase in the floating debt and the variation in cash balances) at Rs. 216 crores as against Rs. 160 crores in 1955-56 and Rs. 142 crores in 1954-55.

14. Developments in the private sector have also contributed to the growing pressure of demand in the economy. No precise figure of private investment in 1956-57 are available, but some evidence of increasing private investment is provided by the large number of applications for licences under the Industries (Development and Regulation) Act for setting up new undertakings and for expanding existing ones. 860 new licences were approved under the Act in 1956 (against 563 in 1955), most of them relating to the production of machinery and allied items.

15. The paid-up capital of companies increased in the first nine months of 1956 by Rs. 30·2 crores, which is about the same amount as in the corresponding period of 1955. A large part of the resources for expansion in the corporate sector comes normally from profits, but it is significant that the net indebtedness of the private sector to banks increased by as much as Rs. 117 crores in 1956 as against an increase of Rs. 50 crores in 1955. Part of the increase in private indebtedness to

the banking system is explained by the rise in economic activity and the higher level of prices; but it is clear that a part of the finance required for expansion was provided by bank credit. This indicates the inadequacy of corporate savings for financing the programmes in the private sector.

Prices

16. The growing pressure of demand on the economy, combined with the set-back in agricultural production, has naturally led to a significant rise in prices. The sharp decline in prices in 1954-55 was virtually reversed in 1955-56 and on March 31, 1956, the general index of wholesale prices at 390·3 (year ended August, 1939=100) was only a little below the level reached before the Corean war (397) or before the 1954-55 decline in prices (404·4). By November 24, 1956, the index of wholesale prices had advanced to 434·2. Although agricultural prices have receded somewhat since then on arrival of the new crop in the market, the decline has not been sustained and has not been of the normal seasonal order. Over 1956 as a whole, the general index of wholesale prices increased by 13 per cent from 373·4 to 421·9. On February 16, 1957, the index stood at 424·4.

17. To some extent, the increase in wholesale prices over the past year is explained by external developments. Thus increases in prices for tea (+58%), raw jute (+30%) and manganese ore (+37%) the prices of which are governed largely by conditions abroad, contributed materially to the increase in the index of wholesale prices in the country. Similarly, the increase in the prices of metals and metal products was largely the result of an increase in import prices. But, there is little doubt that prices of goods produced and consumed domestically have also risen. This is clear from the fact that the all-India working class consumer price index (1949-50=100), which is little affected by external factors, has also increased from 100 in March, 1956, to 110 in November, 1956.

18. As may be expected, the price rise has been particularly large in the case of agricultural commodities which registered a decline in production in 1955-56. Cereal prices increased by 27·6 per cent in 1956 and groundnut and groundnut oil prices by 26·5 and 31·8 per cent respectively. The index for cotton manufactures, on the other hand, increased by 4·3 per cent only, sugar prices remained more or less steady and gur and coffee prices declined by about 10 per cent during the year. The increase in prices in 1956 was thus, as much the result of the set-back in agricultural production in 1955-56 as of the general growth of demand in the economy.

Balance of Payments

19. The impact of rising developmental activity in 1956 was felt most conspicuously on balance of payments. Imports increased sharply in 1956 while exports declined slightly. The resultant import surplus helped to mitigate the inflationary effect of increased domestic expenditure but led to an appreciable decline in the external reserves of the country. The foreign assets held by the Reserve Bank of India declined from Rs. 735 crores at the end of 1955 to Rs. 530 crores at the end of 1956. The adverse turn in the balance of payments was particularly marked since March, 1956. During the ten months ending January, 1957, the foreign assets held by the Reserve Bank declined by some Rs. 236 crores against a rise of Rs. 5 crores in the corresponding period last year. A drain on reserves of this order cannot but be regarded as serious.

20. In the first three quarters of 1956 there was a balance of payments deficit of Rs. 121·4 crores, the figures for each quarter being (—) Rs. 4·5 crores, Rs. 44·5 crores and Rs. 81·4 crores. The deficit in the last two quarters was due entirely to the enhanced deficit on trade account. Import payments increased from Rs. 335·3 crores in April—September, 1955, to Rs. 476·8 crores in April—September, 1956, while export earnings declined from Rs. 303 crores to Rs. 288·3 crores so that the trade deficit widened from Rs. 52·3 crores to Rs. 188·5 crores, *i.e.*, a net deterioration of Rs. 136·2 crores on trade account. The increase in trade deficit was offset to some extent by increased net receipts from invisibles and from official loans and other capital transactions. Preliminary estimates for the quarter ending December, 1956, indicate that the same trends continued in the remaining months of 1956. For 1956 as a whole, the deficit may work out to Rs. 195 to Rs. 205 crores.

21. The major explanation for the sharp increase in imports lies undoubtedly in the increasing demands for development. The value of imports increased from Rs. 418 crores in April—November, 1955, to Rs. 535 crores in April—November, 1956. Of this increase of Rs. 117 crores, Rs. 96 crores was accounted for by the increase in the imports of machinery, iron and steel and other metals. Imports of machinery increased from Rs. 73·5 crores in April—November, 1955, to Rs. 105·8 crores in April—November, 1956; of iron and steel, from Rs. 34·3 crores to Rs. 88 crores and of other metals, from Rs. 16·4 crores to Rs. 26·2 crores. There has also been a large increase in the imports of vehicles, electrical goods and hardware, a substantial part of which would be for development.

22. The small decline in exports (from Rs. 388·4 crores in April—November, 1955, to Rs. 378 crores in April—November, 1956) is mostly accounted for by the decline in exports of oil (from Rs. 26·2 crores to Rs. 13·4 crores) and of cotton (from Rs. 24·6 crores to Rs. 10·9 crores), which is largely explained by the poor crop of oilseeds and cotton in 1955-56. Exports of manganese ore also declined from Rs. 10·6 crores in April—November, 1955, to Rs. 6·8 crores in April—November, 1956; of cotton textiles from Rs. 42·2 crores to Rs. 40·1 crores, and of jute manufactures, from Rs. 83·3 crores to Rs. 79·5 crores. Nearly the whole of the resulting drop in export earnings was offset by the sharp increase in exports of black tea from 227 million lbs. to 331 million lbs.

23. When the second plan was formulated, it was recognised that the small range of capital goods industries in the country, combined with the large increase proposed in investment, particularly in basic industries and transport would put a considerable strain on balance of payments in the early years of the plan. The balance of payments difficulties that have arisen of late were, therefore, not altogether unexpected. But they have been on a much larger scale than was envisaged at the time of the formulation of the plan. The second plan report placed the deficit on current account (excluding official donations) in 1956-57 at Rs. 148 crores. Actually, a deficit of this order (Rs. 143·8 crores) was realised in the first half of 1956-57.

24. To some extent, the heavier strain on balance of payments is due to factors which could not have been anticipated when the plan was drawn up. There has been an increase in prices of imported materials and machinery. The closure of the Suez Canal has added significantly to the freight bill. The exports of items such as raw cotton and vegetable oils also declined owing to the unforeseen fall in production.

There are also indications that imports for development in the private sector have been larger than estimated.

25. While, on the whole, the expansionary impact of the increase in investment in 1956-57 has been largely neutralised by the increase in imports of investment goods, there is still a part of investment activity which generates additional incomes at home and consequently additional demand for consumer goods. Imports of finished consumer goods as such play a relatively small part in consumption in India, but indirectly imports of raw materials and semi-manufactures go up as the production of a number of consumer goods within the country increases. Similarly the drop in the exports of cotton manufactures is also due partly to the growth of domestic demand. The magnitude of the indirect or secondary effects of developmental activity on balance of payments is small in relation to the direct impact of investment. But a part of the recent strain on the balance of payments is due undoubtedly to the failure of domestic savings to match the investment being undertaken.

26. The requirements of foreign exchange for the period of the plan will be larger than the original estimates indicated. The foreign exchange component of the steel plants, for example, is now expected to be significantly larger than the estimates included in the plan. Prices of steel as well as capital goods and equipment abroad have risen. Inevitable increases in defence outlays will also involve appreciable additional foreign exchange commitments. Altogether, it is fairly clear the gap in foreign exchange resources over the plan period will be substantially larger than the original estimate of Rs. 1100 crores. Foreign exchange reserves have already been drawn down to an extent which leave little scope for a further draft on them. The recent purchase of $127·5 million from the International Monetary Fund and the stand-by arrangements for a further purchase of $72·5 million, however, provide some respite. Nevertheless, it has become a matter of urgency to explore every possible avenue of promoting exports, of economising on imports and of getting additional external assistance. The external resources available to the public and the private sectors will now have to be much more than Rs. 900 crores envisaged by the plan if the plans of both the sectors are to go through without endangering the external viability of the country.

External Assistance

27. Friendly foreign countries have continued to assist us in our economic development. This assistance has taken the form of supply of commodities and equipment and the provision of technical experts and training facilities. The total assistance made available upto March 1956 was about Rs. 297 crores, out of which Rs. 198 crores had been utilised by that date. The balance of about Rs. 99 crores is available for the second five year plan. Almost the whole of that sum has already been committed on the supply of equipment and commodities for projects in the second plan. During 1956-57, a sum of $ 55 million has been authorised by the Government of the United States as Development Assistance for India. As in the past, three-fourths of this amount will be in the shape of a long-term loan. During the same period, Canada has authorised $ 13 million and New Zealand £ 1 million as aid under the Colombo Plan. An additional sum of 15 million kroners *i.e.*, Rs. 1 crore was made available by the Government of Norway for the fishing Community Development project in Kerala. The Ford Foundation continues its assistance and has allocated a sum of $ 1·8 million.

28. In addition to the continuing schemes of assistance, external aid in a different form has also become available by the agreement concluded with the Government of the United States in August 1956. This agreement enables India to acquire in the United States, surplus agricultural commodities of $ 360 million in value, mainly wheat, rice and cotton, over a period of three years. Payments for these purchases will be made to the U.S. Government in rupees. From these rupee proceeds the U.S. Government will make a long-term developmental loan to India of $ 234·1 million and will also make a grant of $ 54 million. This agreement thus makes available additional financial resources for the plan, while, at the same time, it enables us to import, without incurring immediate foreign exchange liabilities, essential consumer goods for which there is a growing demand in the country.

29. During 1956-57, a sum of Rs. 7·5 crores is expected to be utilised from the total assistance of about Rs. 63 crores promised by the U.S.S.R. for the Bhilai Steel Plant. The Soviet Union have also given valuable assistance for oil exploration and other projects. In addition, they have promised a further long-term credit of 500 million roubles to be available after 1959.

30. During the year, the International Bank for Reconstruction and Development granted a loan of $ 75 million to the Tata Iron & Steel Co., for expansion and development and a similar loan of $ 20 million to the Indian Iron & Steel Co. Negotiations for assistance for the development of the railways are under way.

31. The revised estimates for 1956-57 place total governmental receipts from external loans and grants at Rs. 65 crores as against Rs. 40·5 crores in 1955-56.

Monetary and Banking Developments

32. The economic trends reviewed above were reflected in an increase in money supply and a growing pressure on the liquidity of banks. Over the year 1956 money supply with the public increased by Rs. 131 crores in spite of the substantial contractionist impact of the decline in the foreign assets of the Reserve Bank by Rs. 205 crores. The expansion of bank credit to both the public and the private sectors in 1956 was much larger than in 1955. Thus, net credit by the banking system to the Government increased by Rs. 243·6 crores in 1956 as against an increase of Rs. 146·1 crores in 1955. The corresponding net increase in bank credit to the private sector amounted to Rs. 116·9 crores in 1956 as against Rs. 49·8 crores in 1955.

33. The large increase in bank credit to the private sector was matched only to a limited extent by the growth of deposits with the scheduled banks. Consequently, the banks turned to the Reserve Bank for accommodation on a larger scale, their net borrowings rising by about Rs. 50 crores in the course of the year. Simultaneously, the banks also liquidated their investments to the extent of Rs. 19 crores and reduced cash reserves by Rs. 10 crores. The pressure on bank liquidity has increased further in recent months and stringent conditions have persisted in the money 'marked despite the substantial assistance extended by the Reserve Bank to the banking system. Even at the trough of the traditional slack season, money rates in 1956 ruled close to the earlier busy season peak levels, and in the early months of the current busy season the call money rate has moved up further to 3½—3⅝ per cent.

34. The tendency for interest rates to stiffen was in evidence in the capital market also. The Reserve Bank's index of Government of India's

security prices recorded a decline of 1·7 per cent over the year despite selective support to the market by the Bank in the last quarter of the year. The much larger decline of 11·5 per cent in the index of variable dividend security prices must be read in the context of the earlier increase of 14 per cent in 1955; it also reflects a number of intangible factors, some of which may be of a casual or temporary character. To some extent, it also indicates a swing towards higher long-term rates of interest. The pressure of demand for investible funds has thus been felt on a wide front.

Employment

35. It is difficult to assess the effect of the growing tempo of development on the employment situation in the country. The total number of employment-seekers on the live registers of the Employment Exchanges increased from 691,958 at the end of 1955 to 799,533 at the end of September, 1956; thereafter, it declined to 758,503 by the end of December, 1956. The net increase of 66,545 in registrations for employment in 1956 compares favourably with the corresponding increase of 82,178 in 1955 and 87,420 in 1954. The significance of the increase in registered employment-seekers must also be judged in relation to the growing facility and popularity of registrations and the increasing desire for betterment of prospects by persons already employed.

Economic Policy and Measures

36. Recent developments in the Indian economy have emphasised the urgent need for increasing savings and productivity and for conserving and enlarging the much-needed resources of foreign exchange. A bold development programme with a large import content is bound to exert considerable pressures on prices and on balance of payments. The maintenance of a reasonable degree of stability in prices would depend on the increase in the production of essential consumer goods like food-grains and cloth. But the increase in production itself generates additional incomes and demand with the result that utmost attention needs to be paid to the increase in productivity and savings. A measure of restraint spectacular increases in consumption and on wasteful or unproductive investment is inescapable in any attempt to promote development without sacrificing financial stability.

37. It is also imperative to promote exports and to weed out inessential imports, even if this results in a certain measure of restraint on consumption at home. This, it must be emphasised, is not a mere long-term desideratum; it is a vital urgent necessity. The need for external assistance in order to implement the Plan is in any case large, and, while foreign resources have to be mobilised on a much larger scale than hitherto, it is equally important to augment the earnings from exports and to economise on import payments. At the same time, the implementation of the development programme has to be phased in a manner which contributes to an orderly transition to higher levels of investment in subsequent periods. Any phasing of Plan expenditure which leads to excessive strains on the economy in the initial years would only impair the chances of continued progress from year to year.

38. An account may be given of the measures taken in the fiscal monetary and foreign exchange fields to meet the situation created by recent developments. The Central Budget for 1956-57 introduced new and additional taxation with a total annual yield of Rs. 35 crores. These included increased and new excise duties on cotton fabrics, vegetable oils, diesel oil, soap and silk fabrics and enhanced postal rates:

as well as selective increases in direct taxation of individuals and corporations. In addition, the Railway Budget levied a surcharge on freights with an estimated yield of Rs. 11.5 crores per year and the State Governments imposed additional taxation worth Rs. 15 crores in their 1956-57 budgets. In September, 1956, excises on cotton cloth were raised again to curb rising prices and an additional yield of Rs. 30 crores per annum is expected from these increases. On November 30, 1956, further taxation measures were introduced. The capital gains tax was revived and corporation tax and super-tax on dividends were put up with effect from April, 1957. Customs duties on a number of articles such as wines, spirits, motor cycles, scooters and watches were raised and power was taken to raise excise duties subject to a maximum of 50 per cent of the rates then permitted by the Act. The Supplementary Finance Act also provided for compulsory deposit of a part of the reserves of companies. The full impact of these measures will be felt only from 1957-58 onwards; but it is estimated that, excluding the increase in excise duties and the compulsory deposit of reserves, these measures would yield an additional revenue of Rs. 16 crores in a full year.

39. Monetary policy has been directed mainly at securing selective control over bank credit so as to discourage speculative hoarding of stocks. The Reserve Bank has taken steps to obtain prompt information about any unhealthy trends in bank advances and has issued directives from time to time requiring commercial banks to raise margins or to reduce advances against specified commodities. Advances against paddy and rice and other foodgrains such as gram and pulses and against cotton manufactures have thus been restricted directly from time to time. The cost of the accommodation given by the Reserve Bank to banks has also been increased by the elimination of the preferential margin for accommodation under the bill market scheme, by the increase in the stamp duty on bills and, finally, by the increase, by half a per cent, in the rate of advances against Government securities. At the same time, as stated earlier, the Bank has increased the scale of its assistance to other banks and has lent a limited support to Government securities in order to relieve the extreme stringency in the money market. As a long-term measure, the Bank has acquired powers to impose variable reserve requirements on commercial banks.

40. On the supply side, as the pressure of excess; demand was felt principally on foodgrains and other agricultural products, substantial million tons of wheat over three years. Of this 1·5 million tons are ex-releases were made from Government stocks of foodgrains and a number of fair-price shops were opened. During 1956, about 20 lakh tons of foodgrains were released from the Central Reserve in important centres. Steps were also taken to limit the exports of foodgrains and vegetable oils which were in short supply and to increase normal commercial imports of foodgrains. Thus, an agreement was concluded with Burma for import of 2 million tons of rice over a five year period. In August, 1956, the agreement, referred to earlier, with the United States Government for the purchase of surplus farm commodities, such as wheat, rice and cotton against local currency was concluded. It provides for the import of 3·5 million tons of wheat over three years. Of this 1·5 million tons are expected to arrive before July, 1957. By April, 1957, two lakh tons of rice are expected to reach India. The agreement also provides for the importation of 5 lakh bales of cotton. Imports under this agreement will enable the Government to build up sizeable stocks of foodgrains and thus provide a measure of insurance against crop-failures in future.

41. As a result of discussion held by the Planning Commission with State Governments and the Central Ministries concerned, the agricultural targets in the Second Plan have been raised. The target of foodgrains production to be achieved by 1960-61 has been increased from 75 million tons to 80·5 million tons; that of oilseeds from 7·0 million tons to 7·6 million tons; of sugarcane (in terms of raw gur) from 7·1 million tons to 7·8 million tons; of cotton from 5·5 million bales to 6;5 million bales and of jute from 5·0 million bales to 5·5 million bales. The upward revision of agricultural targets does not involve any significant increase in financial provision. The increased production will be achieved through an intensification of the organisational effort to promote better methods of cultivation. To this end, the Community Development National Extension programme will be utilised for improving agricultural productivity. The success of the Plan, it is apparent, would turn largely on the realisation of the targets of agricultural production. Apart from the obvious effect of agricultural production on prices and on the balance of payments, the flow of savings in the economy also depends, to a significant extent, on production in this sector. Scarcity of foodgrains and agricultural products in India often leads to relatively sharper increases in agricultural prices than in the prices of manufactures and this in turn leads to a redistribution of national income away from both the fixed income groups and the investing classes. Agricultural commodities, which are produced only intermittently, are also particularly susceptible to stock-piling so that shortages in this field tend to be exaggerated. A comfortable supply of agricultural commodities, therefore, is the first prerequisite for the successful implementation of a growing development programme.

42. Among non-agricultural commodities, cotton textiles deserves to be mentioned. Policy in this field has necessarily to reconcile a number of objectives such as the provision of adequate employment opportunities and adequate supplies at competitive prices for domestic consumption and exports. A decision was taken in June 1956 to provide for an additional production of cotton textile of 1700 million yards by 1961 and of this, 1000 million yards were allocated to handloom weaving, 200 million yards to power looms, 350 million yards to mills (for increasing exports) and the rest were unallocated. Steps are being taken for the necessary expansion of spinning mills and the capacity of the hand-spinning sector is also being enlarged. 16320 automatic looms have already been allocated to mills out of 18000 proposed to be licensed for the manufacture of cloth earmarked exclusively for export and institutional arrangements made for the promotion of greater efficiency in handloom weaving. The situation is being watched with a view to prompt adjustments in the overall target as well as in the relative share of the different sectors of the industry in total production in the light of circumstances.

43. In the foreign exchange field, the basic travel allowance for purposes other than business, education and health has been abolished and the free baggage allowance for incoming passengers has been reduced. The import programme for January—June, 1957, has provided for a reduction in quotas on a number of items. The cuts in imports are expected to provide a saving of some Rs. 30 crores in the import bill over a six month period. Simultaneously, the licensing of capital-goods imports is being tightened up and private investors are being encouraged to seek credits from abroad and to invite foreign producers to associate themselves increasingly with domestic industry. A close watch is also being maintained on the imports of raw materials by actual users so as to prevent any excessive stock-piling of imports.

44. A number of fiscal and administrative measures have also been taken to promote exports. Eight Export Promotion Councils are functioning now as against five last year. The report of the Export Credit Guarantee Committee is under consideration. The export duty on coarse cotton cloth has been abolished and appropriate relief has also been allowed in the rate of export duty on tea. The procedure for granting rebates of import duties on the import-content of exports is being simplified and import licensing as well as the licensing of expansion and new units, is being regulated with an eye, among other things, to the promotion of exports. . Recently, a Committee has been appointed to make recommendations about further steps that might be taken to promote exports.

Prospects

45. As mentioned earlier, the full impact of the various measures outlined above will only be felt in the months to come. It is not possible to assert, at this stage, that they will prove fully adequate for containing the pressures on prices and payments. The short-term prospects will depend to a considerable extent on the out-turn of agricultural commodities in the 1956-57 season. While a definite indication of the 1956-57 crop will only be available after a couple of months, it appears from the estimates so far available that the production of cereals will be slightly better than in 1955-56 even though millets like jowar and bajra may not show any improvement owing to the damage done to these crops by excessive rains and floods. The outlook for commercial crops like sugarcane, cotton and groundnuts is encouraging.

46. The problem is not only of containing the pressures that have recently developed but of increasing progressively the level of investment in the country without adding to them. The country has entered a crucial phase of development. The steady increase in developmental activity in recent years has expanded the productive capacity of the economy and has paved the way for substantial progress in the years to come. But such progress can be achieved only by a continuous increase in production to keep pace with the growing demand and by the mobilisation of an increasing proportion of the national income for further investment.

Financial Year 1956-57

47. The Budget for the current year, as finally approved by Parliament, placed revenue at Rs. 527·39 crores, and expenditure at Rs. 545·43 crores, leaving a deficit, on revenue account, of Rs. 18·04 crores. On present estimates year is likely to close with a surplus of Rs. 37·94 crores. This improvement is the result of an increase in revenue of Rs. 44·10 crores and a saving in expenditure of Rs. 11·88 crores.

48. The increase in revenue is almost entirely accounted for by Customs and Union Excise duties. The revenue from Customs is now expected to be Rs. 171 crores against the budget figure of Rs. 150 crores the increase reflecting largely the higher imports during the year and the increase during the year in import duties on a number of articles such as wines and spirits, clocks and watches, motor-cycles and scooters, coal tar dyes and certain types of machinery and staple fibre and staple fibre yarn. Union Excise duties are now expected to yield Rs. 188·73 crores, against Rs. 170·35 crores taken in the Budget. The bulk of this increase, about Rs. 16 crores, is from the additional duty imposed on cotton cloth in September, 1956. There is an increase of Rs. 3·25 crores in the collection of Sugar Excise Duty due to the higher production of sugar, but this is offset by short-falls in other items. Income-tax revenue is not likely to show any significant variation from the Budget figure of Rs. 189·60

crores. The revenue from Posts & Telegraphs is expected to increase from the budget figure of Rs. 1·60 crores to Rs. 5·30 crores as a result of better traffic. The dividend from Railways is now estimated at Rs. 37·69 crores against the Budget figure of Rs. 39·66 crores, the reduction being due to certain arrear adjustments following the reduction in the capital-at-charge at the date of partition, which has only recently been worked out, over the provisional figure taken earlier. Of this amount, Rs. 31·66 crores represent the interest element which is taken in reduction of the interest payments on the expenditure side and the balance as contribution to revenue. There is an increase of Rs. 1·01 crores from Mint receipts as a result of the accounting changes made during the current year. From 1942-43 it has been the practice to take to revenue as profits from circulation of small coins, a stabilised figure of Rs. 45 lakhs over and above the net Mint expenditure. With effect from the current year, this arrangement has been discontinued and the normal practice of taking the profits arising from circulation of small coins each year to revenue and of treating the losses on destruction of coins returned from circulation as expenditure is being restored. Consequently the Mint receipts this year are now estimated at Rs. 2·79 crores against the budget figure of Rs. 1·7 crores. The share of income-tax payable to the States will amount to Rs. 58·75 crores. The increase of Rs. 3·74 crores over the budget figure is mostly due to the fact that a part of the revenue gap grants payable to the former States of Mysore, Saurashtra and Travancore-Cochin is now, under the States Reorganisation Act, 1956, payable to the successor States in the form of income-tax share.

49. The expenditure this year is now placed at Rs. 533·55 crores comprising of Rs. 330·60 crores for civil expenditure and of Rs. 202·95 crores for Defence Services.

50. In Civil expenditure there have been a number of variations under individual heads following the reorganisation of States on the 1st November, 1956. Thus, a part of the revenue gap grants which Saurashtra, Mysore and Travancore-Cochin were getting formerly has now to be given in the form of shares of Income-tax and Union Excise duties to the successor States. This has led to a saving in the provision under Grants-in-Aid and to a small excess in the provision under Union Excises. The revenue and expenditure of Himachal Pradesh and Delhi which had separate budgets as Part C States now enter directly in the Central Consolidated Fund under the respective heads. Although the net result of these changes, taking revenue and expenditure together. is not significant, there is a saving of Rs. 7·24 crores on the expenditure side with a reduction of Rs. 3·45 crores on the revenue side. Apart from this, there is a saving of Rs. 3·63 crores in the Civil expenditure. This is spread over a number of heads and represents largely the somewhat slower expenditure on Community Development and other schemes in the Plan.

51. The Revised Estimate of the net Defence expenditure stands at Rs. 202·95 crores. Although this is about the same as the original budget estimate, the Army estimate shows a net increase of Rs. 5·4 crores, which is more than offset by corresponding savings under the Navy and the Air Force estimates.

Financial Year 1957-58

52. For the year 1957-58, revenue, on the basis of existing taxation, is estimated at Rs. 636·22 crores and expenditure at Rs. 663·09 crores, leaving a deficit of Rs. 26·87 crores on revenue account.

53. The Second Finance Commission provided for in Article 280 of the Constitution was constituted on the 1st June, 1956, under the chairmanship of Shri K. Santhanam. Without prejudice to the final recommendation which they will be able to formulate only on completion of their investigations on which they are still engaged, the Commission have made interim recommendations to enable budget provision and provisional payments being made in 1957-58. Subject to minor adjustments arising mainly from the inclusion of the Jammu and Kashmir State in the scheme and the changes brought about by the reorganisation of States, the interim recommendations maintain broadly the existing position and pattern of the distribution of the various taxes and grants-in-aid. These recommendations have been accepted and provision has been made in the budget accordingly.

54. The revenue from Customs next year has been placed at Rs. 162 crores. Although, as stated earlier, the import duties on a number of articles were enhanced during the course of the year the resultant increase has been more than neutralised by the fall resulting from the severe cuts in import quotas which have had to be imposed to conserve foreign exchange position. Excise duties are estimated to yield Rs. 209·43 crores, an increase of Rs. 20·7 crores over the current year's estimated collections. Of this increase, Rs. 12·4 crores represent the full year's yield of the increase in the duty on cotton cloth during the current year and the balance mainly large collections of duty on motor spirit and sugar. Under Income-tax, the revenue next year is taken at Rs. 197·60 crores. The increase of Rs. 8 crores over the current year's revised estimates, is due to the capital gains tax imposed last November and the increase then made in the rates of super-tax payable by companies both of which take effect from the 1st April, 1957. The revenue from Posts and Telegraphs is estimated at Rs. 4·34 crores against Rs. 5·30 crores this year. The dividend payable by Railways next year is estimated at Rs. 43·79 crores, an increase of Rs. 6·10 crores over the current year's revised estimates. Of this amount Rs. 6·67 crores will be taken as contribution to revenue and the balance in reduction of the interest payment on the expenditure side.

Surplus profits of the Reserve Bank next year have been placed at Rs. 30 crores against the current year's credit of Rs. 20 crores, the bulk of the increase being due to larger earnings of the Bank. During the current year, gold in the Issue Department of the Reserve Bank has, by an amending legislation, been revalued from Rs. 40·02 crores to Rs. 117·76 crores. It has been decided that, of the resulting profit of Rs. 77·74 crores, Rs. 75 crores should be added to the Reserve Fund of the Bank and the balance treated as ordinary profits accruing to Government. This balance of Rs. 2:74 crores is included in the credit of Rs. 30 crores.

The revenue estimates includes a credit of Rs. 28 crores on account of the Steel Equalisation Fund. The transactions of this Fund, which have so far been kept outside Government accounts, are now being brought within the Consolidated Fund with effect from 1957-58. This accounts for the increase of Rs. 28 crores in revenue; there will be a corresponding increase on the expenditure side.

There is another self-balancing item of Rs. 10 crores representing the element of grant in the assistance from the U.S.A. Government under the agreement of August 1956 referred to earlier. This grant, which is taken initially as revenue, is transferred to the Special Development Fund through an expenditure head.

The only other item needing mention is the increase in the share of income-tax payable to States which is taken at Rs. 61·14 crores against the current year's revised estimates of Rs. 58·75 crores.

55. The expenditure next year is estimated at Rs. 663·09 crores of which Rs. 252·71 crores will be on Defence Services and Rs. 410·38 crores under Civil heads.

56. The estimates for Defence Services show an increase of Rs. 49·76 crores over the revised estimates of the current year. The bulk of the increase is for the Army and the Air Force and represents mainly larger outlay on fresh purchase of essential stores.

57. Civil expenditure next year shows an increase of Rs. 41·78 crores omitting the two self-balancing items in respect of Steel Equalisation Fund and grants from the Government of U.S.A. mentioned earlier. The bulk of the increase is due to larger provision for nation-building development and social services. As usual, detailed account of individual items is given in the Explanatory Memorandum and only the more important ones are mentioned here.

58. The total expenditure on nation-building and development services under Civil Administration excluding Rs. 28 crores in respect of the Steel Equalisation Fund, amounts to about Rs. 115·13 crores as compared with Rs. 92·96 crores during the current year. Provision for Education has been increased by about Rs. 7 crores to Rs. 29·12 crores. This includes Rs. 11·62 crores for grants to States, of which Rs. 2 crores are towards revision of pay scales of school teachers, Rs. 5·20 crores towards primary, elementary and basic education and Rs. 4·25 crores for secondary, rural and higher education. Included in the provision for Education are also Rs. 4·17 crores for University Grants Commission and Rs. 1·67 crores for scholarship schemes including scholarships to students of Scheduled Castes, Scheduled Tribes and other backward classes.

For expenditure on Medical and Public Health, the provision has been increased from Rs. 8·17 crores this year to Rs. 10·79 crores next year. Agriculture and allied services will cost Rs. 4·97 crores more over the current year's estimated expenditure of Rs. 12·36 crores.

Provision for Scientific Research has been increased by Rs. 1·35 crores and for Oil and Natural Gas Prospecting by about Rs. 2 crores.

59. In addition to the increase of Rs. 22·17 crores under Civil Administration mentioned above, the provision for Community Projects and National Extension Service has been raised by Rs. 2 crores to Rs. 13·15 crores. Similarly, the provision for welfare of Scheduled Tribes and Scheduled Castes and backward classes has been raised by about Rs. 2 crores to Rs. 11·38 crores.

60. A provision of Rs. 5 crores has been made for grants to States to help them raise the emoluments of their low-paid employees. The Government of India have agreed that some measure of relief to such employees is needed and that a part of the extra cost of such relief as the State Governments may decide to give should be met by them for the remaining four years of the Second Plan subject to review in the light of the Finance Commission's recommendations. Briefly, the Central Government would assist the States in raising emoluments up to Rs. 12 in each case to employees whose emoluments with this increase

would not exceed Rs. 100, the Central assistance being equal to 2/3 of the extra cost in raising emoluments up to Rs. 60 and 1/3 of the extra cost of the balance.

61. The rest of the increase in Civil Administration is spread over a number of heads. Thus, expenditure on displaced persons increases by Rs. 64 lakhs to Rs. 22.5 crores. The States share of Union Excise Duties on tobacco, matches and vegetable products increases by Rs. 95 lakhs to Rs. 19·17 crores. The provision for Civil Works increases by Rs. 1·15 crores.

Capital Expenditure

62. The current year's budget provided for a Capital expenditure of Rs. 316·7 crores. There has been an increase of Rs. 20 crores in State trading schemes due mainly to larger imports of foodgrains for the Central reserve during the year; but this is largely offset by savings in the provisions for the Railways (Rs. 10 crores), for the steel plants (Rs. 9 crores), for compensation to displaced persons (Rs. 5 crores), and for Defence Capital outlay (Rs. 5 crores). In the result, the revised estimate of Capital Outlay amounts to Rs. 313·68 crores.

63. For the next year, Capital expenditure is estimated at Rs. 454 77 crores, excluding a formal adjusting item of Rs. 80 crores in respect of loan assistance from the U.S. Government, which is transferred to the Special Development Fund by debit to Capital. The increase of Rs. 141·09 crores over the current year's Revised Estimates is largely accounted for by the three steel plants at Rourkela, Bhilai and Durgapur, the provision for which amounts to Rs. 156·83 crores against Rs. 35 crores in the current year. State trading schemes account for an increase of Rs. 19 crores representing largely further imports of foodgrains for the Central Reserve. There is also an increase in the provision for Capital Outlay on Railways, which amounts to Rs. 124·17 crores against Rs. 103·81 crores this year. Against these increases there are reductions under other heads aggregating Rs. 19 crores. Thus the provision for Capital Outlay on Civil Works has been reduced by Rs. 6·5 crores and the non-recurring outlay of Rs. 7 crores this year on investments in the Life Insurance Corporation of India and the International Finance Corporation will disappear next year. Similarly, with the formation of the National Coal Development Corporation, the provision made this year for investment in the Corporation, about Rs. 4 crores, will not recur.

64. In addition to the provision for Capital Outlay, the estimates include Rs. 322·5 crores for loans to State Governments and others against the original budget provision of Rs. 386 crores. The saving arises in the main in respect of the provision of Rs. 50 crores for ways and means advances to the State Governments, and is also partly due to non-drawal by the Government of Burma of the loan of Rs 15 crores, provided for in the budget. The provision made next year for loans amounts to Rs. 317·44 crores. This include Rs. 253·08 crores to State Governments, an increase of Rs. 12·29 crores over the current year's figure. Broad details of these loans are given in the Explanatory Memorandum.

Plan Outlay

65. The estimates of revenue and capital expenditure for next year allow for a total outlay by the Centre of about Rs. 775 crores on the Plan schemes of the Centre and the States. Broadly, the provision made for expenditure directly incurred by the Central Ministries is Rs. 37 crores on revenue account and Rs. 460 crores on capital account (including expenditure met from Railway etc., Funds) and the provision for

assistance to States is about Rs. 70 crores on revenue account and Rs. 208 crores for capital grants and loans. The States are expected to spend on the Plan about Rs. 140 crores. The total Plan outlay of the Centre and the States will thus amount to over Rs. 900 crores.

66. The question of securing the maximum possible economy and avoiding wastage in public expenditure has continued to receive close attention. It was mentioned in the Finance Minister's Budget Speech for current year that the best way of dealing with this matter would be to set up a special high-powered committee to organise a thorough investigation of the important projects through specially selected teams. The National Development Council decided in May, 1956, to constitute a high-powered committee on Plan projects under the chairmanship of the Minister for Home Affairs. It is the function of this Committee to organise field investigations of projects with a view to ensure economy and efficiency, to initiate studies in forms of organisation, methods of work etc., to encourage the establishment of efficiency—Audit cells in the Projects, to secure the implementation of the reports received and to make the results of studies generally available. The jurisdiction of the Committee extends over all the Plan projects, whether Central or State, and its membership consists of Central Ministers, State Chief Ministers and the Deputy Chairman, Planning Commission. The Committee has organised four teams for the study of Community Projects and National Extension Services, irrigation and power (Chambal and Lakkavali) and selected building projects. The teams consist of officials and non-officials of requisite experience and have been requested to report generally within six months. One of the limiting factors of organising such work is the lack of manpower with experience and status as evaluation should only be entrusted to persons whose technical ability in the special field is fully recognised and respected. A further extension of this experiment would depend upon the results achieved by the teams that have been constituted already.

67. The non-Plan expenditure was hitherto scrutinised by the Special Reorganisation Unit located in the Ministry of Finance. The structure, the scope of work and technique of analysis of this Unit has also been overhauled recently. The changes have been designed to enable "work study" to be conducted with a view to economy consistent with the efficient disposal of business in consultation with and close co-operation of the Ministries concerned. Consultative Committees consisting of senior officers of the Finance Ministry, the Administrative Ministry and the O & M Organisation will, in future, discuss not only the method of work but also undertake implementation of the report of the investigating teams. It is too early yet to pronounce upon the results of the new arrangements. This, however, appears to be the only way of handling staff problems in an expanding economy. While a net reduction in the administrative expenditure can hardly be expected during the implementation of the Plan it is nevertheless essential that a close and constant watch is kept over Government expenditure.

Wages and Means

68. The current year's budget provided for an overall deficit of Rs. 356 crores to be met by expansion of Treasury Bills. The deficit is now expected to be Rs. 216 crores. As the opening balance of the year proved to be a negative figure of Rs. 4 crores and as a minimum of Rs. 50 crores is required to be kept as a working cash balance, the net expansion of Treasury Bills this year will be Rs. 270 crores.

69. During the year, the Central Government introduced a 3-tier loan issue comprising a short-term loan of 6 years, a medium-term loan of 11 years and a long-term loan of 18 years, bearing interest respectively at 3¼, 3½ and 3¾ per cent and with issue prices varying between Rs. 98 and Rs. 98/8. The subscriptions to these loans totalled Rs. 158 crores, consisting of Rs. 77 crores in cash and Rs. 81 crores in conversion of 3 per cent Victory Loan, 1957. In the net, on the credit of Rs. 100 crores assumed in the original budget, there was a shortfall of Rs. 23 crores.

70. Small savings this year have also shown some decline. The collections are now likely to amount to Rs. 65 crores against Rs. 70 crores assumed in the budget. Every effort is being made to improve the collections of small savings. A new scheme of agency enabling primary school teachers to be appointed as agents in the rural areas has been introduced in many States. The formation of Savings Groups of regular contributors is being encouraged in both Government and non-Government institutions by the introduction of an Internal Agency Scheme which allows employees to be appointed as Internal Agents on nominal security terms for securing investments from their co-workers. A National Savings Advisory Committee, under the chairmanship of Shri S. K. Patil, has been formed at the Centre with the object of securing the guidance and co-operation of leaders of public opinion in a more effective and systematic manner. The Women's Savings Campaign has been reorganised and Advisory Boards have been formed in the States to spread the message of small savings throughout the country. A Gift Coupon Scheme has been introduced to help presentation of gifts on social occasions in the form of Savings Certificates. Another scheme, to be introduced shortly, has been devised to help persons with regular incomes to meet expenditure for specific purposes such as marriages and education of children by making regular contribution over a number of years, which earn a handsome return by way of interest. While all this is being done, there is need for still greater effort not only to achieve the target of Rs. 500 crores in the Second Five Year Plan but also to exceed it substantially. The Savings Movement is, after all, not merely a mechanism for Government's ways and means; nor merely a planned measure for the fulfilment of certain specific needs. Its importance transcends beyond these objectives. It seeks to create the habit of thrift through self help which is of lasting value to the individual and to the nation. It is, therefore, the duty of everyone to help the small savings Movement to the best of his capacity, irrespective of party, creed or affiliations.

71. The improvement in the ways and means position this year is largely due to the surplus in the revenue account and the saving in the provision for loans and advances by the Central Government, which have been mentioned earlier. The fall in the market borrowings and Small Savings has been counterbalanced by improvement under Other Debt and Deposit Heads.

72. The overall deficit next year is estimated at Rs. 365 crores. The deficit in the revenue account and the larger provision for Capital outlay and loans to State Governments for development expenditure account for the increase in the overall deficit. Credit has been taken for a new loan of Rs. 100 crores next year and Small Savings have been assumed to improve to Rs. 80 crores and foreign aid is expected to amount to Rs. 135 crores. Allowing for other miscellaneous transactions under Debt and Remittance Heads, on these estimates the gap will remain at the figure of Rs. 365 crores.

73. The ways and means position for the coming year may be summarised thus: Government need Rs. 27 crores for meeting the revenue deficit, Rs. 772 crores for financing the Capital outlay and loan requirements of State Governments, and others and Rs. 32 crores for repaying the maturing market loan. Against this, it is hoped to raise Rs. 100 crores from the market loan and Rs. 80 crores from Small Savings. Foreign aid expected next year amount to Rs. 135 crores (against Rs. 65 crores this year) and other miscellaneous Debt and Remittance transactions may bring in Rs. 151 crores. This will leave a gap of about Rs. 365 crores in the available resources to balance the budget.

SUMMARY OF FINAL ESTIMATES

[In lakhs of Rs.]

Revenue	Budget 1956-57	Revised 1956-57	Budget 1957-58
Customs	150,00	171,00	162,00
Union Excise Duties	170,35	188,73	209,43
Corporation Tax	48,24	48,24	50,50
Taxes on Income other than Corporation Tax	86,35	82,61	85,96
Estate Duty	18	11	9
Opium	2,10	2,24	2,50
Interest	5,49	5,24	4,90
Civil Administration	11,06	15,49	43,21
Currency and Mint	23,67	24,48	36,02
Civil Works	2,39	2,70	2,95
Other Sources of Revenue	19,39	19,32	27,65
Posts & Telegraphs—			
Net contribution to General revenue	1,60	5,30	4,34
Railways—Net contribution to general revenues	6,57	6,03	6,67
TOTAL REVENUE	527,39	571,49	636,22

EXPENDITURE

Expenditure	Budget 1956-57	Revised 1956-57	Budget 1957-58
Direct Demands on Revenue	37,15	37,92	41,80
Irrigation	5	8	10
Debt Services	35,50	38,21	35,00
Civil Administration	135,91	133,64	187,50
Currrency & Mint	3,76	5,02	6,39
Civil Works and Miscellaneous Public improvements	15,90	14,54	15,93
Pensions	8,84	8,98	9.17
Miscellaneous :			
Expenditure on Displaced Persons	21,42	21,86	22,50
Other Expenditure	30,23	28,32	42,90
Grants to States etc.	38,00	29,60	25,23
Extraordinary items	14,70	12,43	23,86
Defence Services (net)	203,97	202,95	252,71
TOTAL EXPENDITURE	545,43	533,55	6,63,09
Surplus (+) / Deficit (—)	(—)18,04	(+) 37,94	(—) 28,67

GOVERNMENT OF INDIA

BUDGET

of the

CENTRAL GOVERNMENT

for

1957-1958

(As laid before Parliament, 1957)

MINISTRY OF FINANCE ; *New Delhi, the 19th March, 1957*	H. M. PATEL, *Principal Secretary.*

CONTENTS

I.—GENERAL STATEMENT OF THE REVENUE AND

[In thousands of Rupees]

	For details, *vide* Statement	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
I.—CONSOLIDATED FUND OF INDIA					
REVENUE—					
Principal Heads of Revenue—					
Customs . . .	A	1,66,69,72	1,50,00,00	1,71,00,00	1,62,00,00
Union Excise Duties	,,	1,45,25,21	1,70,35,00	1,88,73,00	2,09,43,00
Corporation Tax .	,,	37,04,32	48,24,00	48,24,00	50,50,00
Taxes on Income other than Corporation Tax and Estate Duty	,,	76,19,97	86,35,00	82,61,00	85,96,00
Estate Duty . .	,,	—5,43	17,57	11,00	9,00
Opium . . .	,,	2,08,67	2,10,00	2,24,00	2,50,00
Other Heads . .	,,	3,89,50	3,41,54	5,74,98	9,25,34
TOTAL—PRINCIPAL HEADS		4,31,11,96	4,60,63,11	4,98,67,98	5,19,73,34
Contributions from Railways . .	,,	5,80,09	6,56,72	6,03,26	6,67,38
Irrigation : Net Receipts . . .	,,	—52	5	64	1,66
Posts and Telegraphs : (Net) (*a*)	,,	3,47,31	1,59,54	5,29,60	4,33,76
Debt Services . .	,,	2,83,88	5,48,98	5,24,22	4,90,25
Civil Administration	,,	14,45,31	11,06,07	15,49,43	43,20,84
Currency and Mint	,,	23,08,65	23,67,47	24,47,76	36,02,31
Civil Works and Miscellaneous Public Improvements .	,,	2,63,48	2,41,18	2,69,12	2,93,24
Electricity Schemes .	,,	2,34	—1,75	71	1,91
Miscellaneous . .	,,	20,72,56	15,44,37	13,05,89	7,81,02
Contributions and Miscellaneous Adjustments between Union and State Governments .	,,	6,23	. .	3,36	2,90
Extraordinary Items .	,,	11,25	53,30	46,37	10,53,62
TOTAL—REVENUE		5,04,32,55	5,27,39,04	5,71,48,61	6,36,22,13
EXCESS OF EXPENDITURE OVER REVENUE OR DEFICIT . . .		. .	18,04,28	. .	26,87,22
TOTAL		5,04,32,55	5,45,43,32	5,71,48,61	6,63,09,35

(*a*) Figures shown net; the expenditure shown in Statement B has been taken in reduction of the receipts shown in Statement A.

Note.—The accounts for 1955-56 have not been finally closed and the actuals given here are only provisional.

EXPENDITURE MET FROM REVENUE OF THE CENTRAL GOVERNMENT

[In thousands of Rupees]

	For details, *vide* Statement	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
I.—CONSOLIDATED FUND OF INDIA					
EXPENDITURE—					
Direct Demands on the Revenue	B	32,30,30	37,14,88	37,91,63	41,79,93
Irrigation	,,	5,66	4,76	7,65	10,21
Debt Services	,,	43,14,27	35,50,00	38,21,17	35,00,00
Civil Administration	,,	94,07,51	1,35,91,52	1,33,64,18	1,87,50,24
Currency and Mint	,,	3,33,66	3,76,55	5,01,69	6,38,79
Civil Works and Miscellaneous Public Improvements	,,	12,14,02	15,90,24	14,51,65	15,88,29
Electricity Schemes		..	..	212	4,95
Miscellaneous	,,	60,22,62	60,48,85	59,15,86	74,57,75
Defence Services(*a*)	,,	1,72,23,20	2,02,96,55	2,02,95,13	2,52,70,55
Contributions and Miscellaneous Adjustments between Union and State Gvernments	,,	35,87,21	37,99,73	29,60,21	25,22,76
Extraordinary Items	,,	10,48,90	14,70,24	12,43,56	23,85,88
TOTAL—EXPENDITURE MET FROM REVENUE		4,63,87,35	5,45,43,32	5,33,54,85	6,63,09,35
EXCESS OF REVENUE OVER EXPENDITURE OR SURPLUS		40,45,20	..	37,93,76	..
TOTAL		5,04,32,55	5,45,43,32	5,71,48,61	6,63,09,35

(*a*) Figures shown net ; the receipts shown in Statement A have been deducted from the expenditure shown in Statement B.

II.—GENERAL STATEMENT OF THE RECEIPTS

[In thousands of Rupees]

RECEIPTS	For details, *vide* Statement	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimtae, 1956-57	Budget Estimate, 1957-58
I.—CONSOLIDATED FUND OF INDIA					
Revenue Surplus (as shown in Part I) . . .		40.45.20	..	37.93.76	..
Capital Accounts outside the Revenue Account .	C	...	.	..	..
Permanent Debt (net) .	"	34.50.46	1,35,53,75	1,05,89,29	1,56,99,09
Floating Debt (net) . .	"	1.23.38.00	3.55.85.00	2,70.00,00	3,65,00 00
Loans and Advances by the Central Government (net) . .	"	..	..	..	..
Inter-State Debt Settlements (net) . .	"	9,88	..	..	..
TOTAL I—CONSOLIDATED FUND OF INDIA . .		1,08,43,54	4.91.38.75	4.13.83.05	5.21.99'9
II.—CONTINGENCY FUND OF INDIA .	C	..	..	..	..
III.-PUBLIC ACCOUNT					
Unfunded Debt (net) .	"	82,99,03	89.17.94	82.75.56	98,42.41
Depreciation and other Reserve Funds (net). .	"	7,94,21	5.30.19	11,76,57	..
Appropriation for Reduction or Avoidance of Debt (net) . . .	"	5.00.00	5,00,00	5,00.00	5,00,00
Other Deposits and Advances (net) . .	"	54,40.91	72.41.76	1,00,02,17	2,01,63,42
Remittances (net) . .	"	..	..	7,79,52	..
Transfer of Cash between England and India (net)	"		..	..	..
TOTAL III—PUBLIC ACCOUNT . . .	"	1,50,34,15	1,71,89,89	2,07,33,82	3,05,05,83
TOTAL RECEIPTS		3,48,77,69	6,63,28,64	6,21.16,87	8,27,04,92
OPENING BALANCE .	C	32,22,95	50,10,21	4,26,41	50,11,69
TOTAL .		3,81,00,64	7,13.38,85	6,16,9046	8,77,16,61

AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT

[In thousands of Rupees]

DISBURSEMENTS	For details, vide Statement	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
I.—CONSOLIDATED FUND OF INDIA					
Revenue Deficit (as shown in part I) . . .		..	18,04,28	..	26,87,22
Capital Accounts not met from Revenue . .	C	1,27,35,89	3,16,74,44	3,13,68,42	5,35,07,03
Permanent Debt (net) .	,,	..	..	.	..
Floating Debt (net) .	,,	..	..	..	..
Loans and Advances by the Central Government (net)	,,	2,47,56,08	3,28,20,70	2,50,02,86	2,52,67,98
Inter-State Settlement (net)	,,	..	6,40	3,07,49	1,45,40
TOTAL I—CONSOLIDATED FUND OF INDIA		3,74,91,97	6,63,05,82	5,66,78,77	8,16,07,63
III—PUBLIC ACCOUNT					
Unfunded Debt (net) .	C	..	..	..	..
Depreciation and other Reserve Funds (net)	,,	..	..	.	9,97,72
Appropriation for Reduction or Avoidance of Debt (net) . . .	,,	..	..	..	..
Other Deposits and Advances (net) . .	,,	..	..	..	..
Remittances (net) . .	,,	9,02,24	18,10	..	1,02,70
Transfer of Cash between England and India (net)	,,	1,32,84	..	..	..
TOTAL III.—PUBLIC ACCOUNT		10,53,08	18,10	..	11,00,42
TOTAL—DISBURSEMENTS .		3,85,27,05	6,63,23,92	5,66,78,77	8,27,08,05
CLOSING BALANCE . .	C	—4,26,41	50,14,93	50,11,69	50,08,56
TOTAL . .		3,81,00,64	7,13,38,85	6,16,90,46	8,77,16,61

A.—Statement of the Revenue of the Central Government

[In thousands of Rupees]

Heads of Revenue	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase (+) Decrease (—) as compared with Budget, 1956-57	Budget Estimate, 1957-58	Increase (+) Decrease (—) as compared with Revised, 1956-57
I.—CONSOLIDATED FUND OF INDIA						
PRINCIPAL HEADS OF REVENUE—						
I.—Customs	1,66,69,72	1,50,00,00	1,71,00,00	+21,00,00	1,62,00,00	—9,00,00
II.—Union Excise Duties	1,45,25,21	1,70,35,00	1,88,73,00	+81,38,00	2,09,43,00	+20,70,00
III.—Corporation Tax	37,04,32	48,24,00	48,24,00	..	50,50,00	+2,26,00
IV.—Taxes on Income other than Corporation Tax and Estate Duty	76,19,07	86,35,00	82,61,00	—3,74,00	85,96,00	+3,35,00
V.—Estate Duty	—5,43	17,57	11,00	—6,57	9,00	—2,00
VI.—Opium	2,08,67	2,10,00	2,24,00	+14,00	2,50,00	+26,00
VII. Land Revenue	87,61	46,28	50,83	+4,55	58,31	+7,48
VIII.—State Excise Duties	7,10	5,70	59,22	+53,52	1,39,33	+80,11
IX.—Stamps	1,69,09	1,65,20	1,95,64	+30,44	2,41,27	+45,63
X.—Forest	99,53	1,00,33	1,68,26	+67,93	2,23,42	55,16
XI.—Registration	2,51	1,99	5,44	+3,45	8,91	3,47
XII.—Receipts under Motor Vehicles Acts	5,16	5,14	13,64	+8,50	30,72	+17,08
XIII.—Other Taxes and Duties	18,50	16,40	18,95	65,05	2,23,3[illegible]	1,41,43
TOTAL	4,31,11,96	4,60,63,11	4,98,67,98	38,04,87	5,19,73,34	21,05,36
IRRIGATION—						
XVII. Irrigation Navigation, Embankment and Drainage Works Commercial	74	2,34	1,31	—1,03	1,50	+19
Deduct—Working Expenses	1,25	2,49	83	+1,66	..	+83
Net Receipts	—78	—15	48	+63	150	+1,02
XVIII.—Irrigation, Navigation, Embankment and Drainage Works (No-Commercial)	27	20	16	—4	16	..
TOTAL	—51	5	64	—59	1,66	+1,02
POSTS AND TELEGRAPHS						
XIX.—Posts and Telegraphs—Gross Receipts	50,67,38	52,49,00	56,11,00	+3,62,00	61,22,00	+5,11,00
Deduct—Working Expenses	*45,02,06*	*38,32,13*	*48,22,30*	*—17*	*54,11,01*	*—5,78,71*
Net Receipts	6,55,32	4,16,87	7,78,70	+3,61,83	7,10,99	—67,71
DEBT SERVICES						
XX.—Interest	2,83,88	5,48,98	5,24,22	+24,76	4,90,25	—33,97
Carried over	4,39,60,65	4,70,29,01	5,11,71,54	+41,42,53	5,31,76,24	+20,04,70

A.—Statement of the Revenue of the Central Government—*contd*

[In thousands of Rupees]

Heads of Revenue	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase (+) Decrease (—) as compared with Budget, 1956-57	Budget Estimate, 1957-58	Increase (+) Decrease (—) as compared with Revised, 1956-57
I.—CONSOLIDATED FUND OF INDIA—(*contd.*)						
Brought forward .	4,39,60,65	4,70.29,01	5,11.71.54	+ 41,42,53	5,31,76,24	+ 20,04,70
CIVIL ADMINISTRATION—						
XXI.—Administration of Justice . .	6,64	5.92	8,69	+ 2,77	8.60	—9
XXII.—Jails and Convict Settlements .	25	40	61	+ 21	1,21	+60
XXIII.—Police	25.37	12,51	23.52	11,01	23,27	—25
XXIV.—Ports and Pilotage . .	29.67	41.30	37.56	—3.74	48,79	+11,23
XXV.—Lighthouses and Lightships	38,56	37,19	42.50	+ 5.31	43,00	+50
XXVI,—Education	30,71	13.57	33.58	+20.01	36,21	2,63
XXVII.—Medical	17.16	20.58	26.50	+5.92	30.56	+4,06
XXVIII.—Public Health	20,04	8,97	20.16	+11,19	13.48	—6.68
XXIX.—Agriculture	2.33.35	49.76	54.55	+4,79	67.57	+13,02
XXIX—A—Rural Development . . .	9	.		..	.	..
XXX.—Veterinary . .	15.22	11,01	15.22	+4,21	19,09	+3.87
XXXI.—Co-operation	1	2	10	+8	20	+10
XXXII.—Industries and Supplies—						
Gross Raceipts .	10.48.46	9.81.07	9.10,78	—71,19	34,52,55	25,41.77
Deduct—						
Working Expenses	3.97.02	*4.44.19*	*1,94.83*	2.49,36		1,94,83
Net Receipts . .	6.55.44	5.37,78	7.15.95	+1,78,17	34,52,55	+27.36,60
XXXIII.—Aviation .	86,68	69.52	88,48	+18,96	84.01	—4.47
XXXIV.—Broadcasting	1.58.95	1.47.62	1,49.10	+2.08	1.57,48	+8,38
XXXVI.—Miscellaneous Departments . .	1,33,17	1.50,52	3.32.91	+1,82,39	3.34.82	+1,91
TOTAL .	14.45,31	11,06.07	15,49.43	+4,43.36	43.20,84	27,71.41
CURRENCY AND MINT—						
XXXVII.—Currency	21.62,21	21,88.98	21,68,71	—20.27	32,93,51	+11,24,55
XXXVIII.—Mint .	1,46,44	1.78,49	2.79,05	+1,00,57	3.08,80	+29,75
TOTAL .	23,08,65	23,67,47	24,47.76	+80,29	36.02,31	+11,54,55
CIVIL WORKS ETC.—						
XXXIX.—Civil Works	2,61,89	2,40.18	2,67,71	+ 27,53	2,91,55	+23,84
XLA.—Receipts from Multi-purpose River Schemes .	1,59	1.00	1,41	41	1.59	+ 18
TOTAL	2,63.48	2.41.18	2,69,12	+27,94	2,93,14	+24,04
ELECTRICITY SCHEMES—						
XLI.—Receipts from Electricity Schemes—						
Gross Receipts . .	8,55	9,74	9.06	—68	9,61	+55
Deduct—						
Working Expenses .	*6,21*	*11,49*	*8,35*	+3,14	7.70	+ 65
Net Receipts . .	2,34	—1,75	71	+2,46	1.91	+1,20
Carried over . .	4,79,80,43	5,07,41,98	5,54,38,56	+46,96,58	6,13,94,44	+59,55,88

A.—Statement of the Revenue of the Central Government—*concld*

[In thousands of Rupees]

Heads of Revenue	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase (+) Decrease(—) as compared with Budget, 1956-57	Budget Estimate, 1957-58	Increase (+) Decrease(—) as compared with Revised 1956-57
I.—CONSOLIDATED FUND OF INDIA—(*contd.*)						
Brought forward	4,79,80,43	5,07,41,98	5,54,38,56	+46,96,58	6,13,94,44	+59,55,88
MISCELLANEOUS—						
XLIV.—Receipts in aid of Superannuation	43,32	72,16	44,59	—27,57	73,10	+28,51
XLV.—Stationery and printing	33,35	32,86	38,72	+5,86	36,48	—2,24
XLV-A.—Contributions from Railways*	5,80,09	6,56,72	6,03,26	—53,46	6,67,38	+64,12
XLVI.—Miscellaneous	19,94,64	14,33,93	12,14,42	+2,19,51	6,60,60	—5,53,82
XLVI.A.—Receipts from Road and Water Transport Schemes—Gross Receipts	6,76	15,07	30,68	+15,61	57,05	+26,37
Deduct—Working Expenses	*5,51*	*9,65*	*22,52*	—12,87	*46,21*	—23,69
Net Receipts	+1,25	5,42	8,16	—2,74	10,84	+2,68
TOTAL	26,52,65	22,01,09	19,09,15	—2,91,94	14,48,40	—4,60,75
DEFENCE SERVICES—						
XLVII.—Defence Receipts—Effective	15,83,69	14,74,05	17,35,77	+2,61,72	13,39,53	—3,96,24
XLVIII.—Defence Receipts—Non-effective	30,60	9,83	9,37	—46	7,72	—1,65
TOTAL	16,14,29	14,83,88	17,45,14	+2,61,26	13,47,25	—3,97,89
CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS BETWEEN UNION AND STATE GOVERNMENTS—						
L.—Miscellaneous Adjustments between Union and State Governments	6,23	..	+3,63	+3,63	2,90	—73
EXTRAORDINARY ITEMS—						
LI.—Extraordinary Receipts	83	53,30	46,24	—7,06	10,53,50	+10,07,26
LI-A.—Receipts on account of Community Development Projects, National Extension Service and Local Development Works	2	..	13	+13	12	—1
LII B.—Civil Defence	6,80	..	..	..	..	..
LII C.—Pre-partition Receipts	3,60	..	..	..	..	..
TOTAL	11,25	53,30	46,37	—6,93	10,53,62	+10,07,25
RAILWAY REVENUE AS PER RAILWAY BUDGET	58,11,78	75,74,35	76,08,97	+34,62	79,49,65	+3,40,68
TOTAL—REVENUE	5,80,76,63	6,20,54,60	6,67,51,82	+46,97,22	7,31,96,26	+46,44,44
Excess of Expenditure over Revenue or Deficit	..	18,04,28	..	..	26,87,22	..

B.—Statement of the Expenditure met from Revenue of the Central Government—*contd.*

[In thousands of Rupees]

Heads of Expenditure	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase (+) Decrease (—) as compared with Budget 1956-57	Budget Estimate, 1957-58	Increase (+) Decrease (—) as compared with Revised, 1956-57
I.—CONSOLIDATED FUND OF INDIA						
DIRECT DEMANDS ON THE REVENUE—						
1.—Customs	3,71,66	3,43,32	3,03,17	—40,15	4,02,57	+99,40
2.—Union Excise Duties	19,61,96	21,95,27	23,60,56	+1,65,29	24,57,13	+96,57
3.—Corporation Tax	} 3,80,92	1,01,38	1,11,07	+9,69	1,17,55	+6,48
4.—Taxes on Income other than Corporation Tax and Estate Duty		3,31,59	3,17,23	—17,36	3,42,40	+25,17
5.—Estate Duty	..	11,12	9,44	—1,68	8,84	—60
6.—Opium	1,55,24	1,66,63	1,64,52	—2,11	2,11,07	+46,55
7.—Land Revenue	28,22	33,83	26,75	—7,08	35,83	+9,08
8.—State Excise Duties	1,64	1,18	22,15	+20,97	45,57	+23,42
9.—Stamps	1,61,11	1,50,52	1,55,31	+4,79	1,69,77	+14,46
10.—Forest	1,67,69	3,74,76	2,97,51	+77,25	3,56,63	+59,12
11.—Registration	90	1,03	1,67	+64	1,76	+9
12.—Taxes on Vehicles	16	33	16,66	+16,33	20,34	+3,68
13.—Other Taxes and Duties	80	92	5,59	+4,67	10,47	+4,88
TOTAL	32,30,30	37,14,88	37,91,63	+76,75	41,79,93	+3,88,30
REVENUE ACCOUNT OF IRRIGATION WORKS—						
17.—Irrigation Navigation, Embankment and Drainage Works (Commercial)	..	..	..	..	..	..
18.—Irrigation Navigation, Embankment and Drainage works (Non-Commercial)	1,66	4,76	7,65	+2,89	10,21	+2,56
TOTAL	1,66	4,76	7,65	+2,89	10,21	+2,56
CAPITAL ACCOUNTS OF IRRIGATION, ETC., WORKS MET FROM REVENUE—						
19.—Construction of Irrigation Works financed from ordinary Revenues	4,00	..	..	..	..	..
POSTS AND TELEGRAPHS REVENUE ACCOUNT—						
20.—Posts and Telegraphs—Interest on Debt	2,18,01	2,57,33	2,49,10	—8,23	2,77,23	+28,13
Carried over	34,53,97	39,76,97	40,48,38	+71,41	44,67,37	+4,18,90

B.—Statement of the Expenditure met from Revenue of the Central Government—*contd.*

[In thousands of Rupees]

Heads of Expenditure	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase (+) Decrease(—) as compared with Budget, 1956-57	Budget Estimate, 1957-58	[illegible]s compared with [Re]vised, [19]56-57
I.—CONSOLIDATED FUND OF INDIA— (*contd.*)						
Brought forward	34,53,97	39,76,97	40,48,38	+71,41	44,67,37	+4,18,99
DEBT SERVICES—						
22.—Interest on Debt and other Obligations	91,02,73	1,03,55,94	1,01,76,39	—1,79,55	1,14,33,05	+12,56,66
Deduct—Interest transferred to—						
Railways	*30,31,77*	*33,09,72*	*31,65,89*	—1,43,83	*37,11,35*	—5,45,46
Irrigation	*91*	*90*	*90*	..	*90*	..
Posts and Telegraphs	*2,20,53*	*2,58,12*	*2,50,26*	+7,83	*2,76,54*	—26,25
State Governments	*17,88,51*	*33,85,93*	*30,87,50*	+2,98,43	*40 97,67*	—10,10,17
Commuted Value of Pensions	*25,25*	*23,54*	*23,98*	—44	*22,44*	+1,54
Other heads	*2,21,49*	*3,27,73*	*3,26,66*	+1,07	*3,24,15*	+2,51
TOTAL TRANSFERS	*52,88,46*	*73,05,94*	*68,55,22*	+4,50,72	*84,35,05*	—15,77,83
Net	38,14,27	30,50,00	33,21,17	; 2,71,17	30,00,00	—3,21,17
23.—Appropriation for Reduction or Avoidance of Debt	5,00,00	5,00,00	5,00,00	..	5,00,00	..
TOTAL	43,14,27	35,50,00	38,21,17	+2,71,17	35,00,00	—3,21,17
CIVIL ADMINISTRATION						
25.—General Administration	12,70,16	14,28,32	14,41,64	+13,32	15,67,46	+1,25,82
26.—Audit	5,44,57	6,04,12	6,17,43	+13,31	6,61,84	+44,41
27.—Administration of Justice	20,64	22,20	30,62	+8,42	38,64	+8,02
28.—Jails and Convict Settlements	3,98	4,51	8,85	+4,34	13,30	+4 45
29.—Police	4,16,59	5,38,36	6,01,05	+62,69	7,55,10	+1,54,05
30.—Ports and Pilotage	89,52	1,14,51	95,51	—19,00	1,05,28	+9,77
31.—Lighthouses and Lightships	35,49	37,19	42,50	+5,31	43,00	+50
34.—Tribal Areas	5,00,79	0,11,21	5,05,79	—1,50,42	5,40,02	+34,23
35.—External Affairs	5,99,22	6,31,36	7,24,28	+93,22	7,12,83	—11,75
36.—Scientific Departments	8,92,01	14,59,21	12,27,09	—2,32,12	16,42,93	+4,15,84
37.—Education	14,23,28	1,62,00	21,95,58	—33,58	29,12,41	+7,16,83
38.—Medical	1,46,04	4,15,96	3,71,79	—44,17	5,01,02	+1,29,23
39.—Public Health	2,35,61	5,29,07	4,45,23	· 83,84	5,77,91	+1,32,68
40.—Agriculture	6,56,59	12,60,55	9,50,76	—3,09,79	13,51,12	+4,00,36
40-A.—Rural Development	29,66	52,60	51,96	—64	75,25	+23,29
41.—Veterinary	51,04	1,22,62	1,23,33	+70	1,50,31	+26,99
42.—Co-operation	5,98	1,03,30	1,09,74	+6,44	1,55,91	+46,17
43.—Industries and Supplies	13,75,82	18,10,78	21,61,56	—3,50,78	50,04,64	+28,43,08
44.—Aviation	2,53,25	2,92,83	3,13,35	+20,52	3,05,22	+8,13
45.—Broadcasting	2,68,37	3,07,25	3,07,07	—18	3,58,39	+51,32
47.—Miscellaneous Departments	5,88,90	10,83,57	10,38,76	—44,81	12,77,66	+2,38,90
TOTAL	94,07,51	1,35,91,52	1,33,64,18	—2,27,34	1,87,50,24	+53,86,06
Carried over	1,71,75,75	2,11,19,49	2,12,33,73	1+,15,24	2,67,17,61	+54,83,88

B.—Statement of the Expenditure met from Revenue of Central Government—*contd.*

[In thousands of Rupees]

Heads of Expenditure	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase (+) Decrease(—) as compared with Budget, 1956-57	Budget Estimate, 1957-58	Increase (+) Decrease(—) as compared with Revised, 1956-57
I—CONSOLIDATED FUND OF INDIA—(*contd.*)						
Brought forward	1,71,75,75	2,11,18,49	2,12,33,73	+1,15,24	2,67,17,61	+54,83,88
CURRENCY AND MINT—						
48.—Currency	2,32,22	2,43,06	2,61,56	+18,50	3,59,71	+98,15
49.—Mint	1,01,44	1,33,49	2,40,13	+1,06,64	2,79,08	+38,95
TOTAL	3,33,66	3,76,55	5,01,68	+1,5,14	6,38,79	+1,37,10
CIVIL WORKS ETC.—						
50.—Civil Works	11,65,95	14,96,78	13,83,00	—1,13,78	14,97,71	+1,14,71
51-B —Other Revenue Expenditure connected with Multipurpose River Schemes	48,07	93,46	68,65	—24,81	90,58	+21,93
TOTAL	12,14,02	15,90,24	14,51,65	—1,38,59	15,88,29	+1,36,64
ELECTRICITY SCHEMES—						
52-A.—Other Revenue Expenditure connected with Electricity Schemes	..	..	2,12	+2,12	4,95	+2,83
CAPITAL ACCOUNT OF ELECTRICITY SCHEMES WITHIN REVENUE ACCOUNT—						
53.—Capital Outlay of Electricity Schemes	..	..	..	..	..	..
TOTAL	..	..	2,12	+2,12	4,95	+2,83
MISCELLANEOUS—						
54.—Famine	13	5	4,71	+4,66	25	—4,46
54-A.—Territorial and Political Pensions	26,07	31,71	31,37	—34	27,95	—3,42
54-B.—Privy Purses and Allowances of Indian Rulers	5,29,59	5,32,66	5,35,37	+2,71	5,54,48	+19,11
55—Superannuation Allowances and Pensions	3,41,55	3,15,89	3,30,89	+12,00	3,35,11	+4,22
56.—Stationery and Printing	2,43,29	2,27,02	1,89,03	—41,99	2,70,36	+8[illegible],33
57.—Miscellaneous	48,81,99	49,38,52	48,28,49	—1,10,03	62,69,60	+14,41,11
TOTAL	60,22,62	60,48,85	59,15,86	+1,32,99	74,57,75	+15,41,89
DEFENCE SERVICES—						
58.—Defence Services Effective—Army	1,31,89,68	1,42,52,74	1,50,15,77	+7,63,03	1,66,56,61	+16,40,84
59.—Defence Services Effective—Navy	12,01,80	14,27,47	13,44,51	—82,96	15,97,81	+2,53,30
60.—Defence Services Effective—Air Force	30,05,64	48,16,99	42,96,76	—5,20,23	69,81,49	+26,84,73
60-A.—Defence Services Non-Effective	14,40,37	13,83,23	13,83,23	..	13,81,89	—1,34
TOTAL	1,88,37,49	2,18,80,43	2,20,40,27	+1,59,84	2,66,17,80	+45,77,53
Carried over	4,35,83,54	5,10,14,56	5,11,45,32	+1,30,76	6,30,25,19	+1,18,79,87

B.—Statement of the Expenditure met from Revenue of the Central Government—*contd.*

[In thousands of Rupees]

Heads of Expenditure	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase (+) decrease(—) as compared with Budget, 1956-57	Budget Estimate, 1957-58	Increase (+) Decrease(—) as compared with Revised, 1956-57
I.—CONSOLIDATED FUND OF INDIA—(*contd.*)						
Brought forward .	4,35,83,54	5,10,14,56	5,11,45,32	+1,30,76	6,30,25,19	+1,18,79,87
CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS BETWEEN UNION AND STATE GOVERNMENTS						
61.—Grants-in-aid to States . .	35,80,26	37,95,00	29,53,48	—8,41,52	25,16,66	—4,36,82
63.—Miscellaneous Adjustments between Union and State Governments .	6,95	4,73	6,73	+2,00	6,10	—63
TOTAL .	35,87,21	37,99,73	29,60,21	—8,39,52	25,22,76	—4,37,45
EXTRAORDINARY ITEMS—						
63.—Extraordinary Charges . .	..	..	..	..	10,00,00	10,00,00
63-B.—Community Development Projects, National Extension Service and Local Development Works . .	9,69,50	13,63,08	11,14,60	—2,48,48	13,14,88	+2,00,28
4-B.—Civil Defence	1,06	1,12	99	—13	1,00	+1
4-C.—Prepartition Payments . .	78,34	1,90,04	1,27,97	+21,93	70,00	—57,97
TOTAL .	10,84,90	14,70,24	12,43,56	—2,26,68	23,85,88	+11,42,32
RAILWAY EXPENDITURE AS PER RAILWAY BUDGET . .	58,11,78	75,74,35	76,08,97	+34,62	79,49,65	+3,40,68
TOTAL—EXPENDITURE MET FROM REVENUE	5,40,31,43	6,38,58,88	6,29,58,06	—9,00,82	7,58,83,48	+1,29,25,42
Excess of Revenue over Expenditure or Surplus	40,45,20	..	37,39,76	..	.. ..	..

C.—Statement of the Receipts and Disbursements of the Central Government

[In thousands of Rupees]

RECEIPTS	Acounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
I.—CONSOLIDATED FUND OF INDIA				
Excess of Revenue over Expenditure (from Statement B)	40,45,20	..	37,93,76	..
CAPITAL ACCOUNTS OUTSIDE THE REVENUE ACCOUNT—				
LIV.—Sale proceeds of American and Lease-Lend Surpluses	..	..	..	..
PUBLIC DEBT—				
A.—*Debt raised in India—*				
I.—PERMANENT DEBT—				
New Loan	..	1,00,00,00	..	1,00,00,00
3½per cent Bonds, 1962	..	..	57,27,17	..
3½per cent National Plan Bonds, 1967 (Third Series.)	..	..	33,82,16	..
3¾per cent Loan, 1974	..	..	66,64,1[illegible]	..
15-Year Annuity Certificates	45,25	60,00	46,50	80,00
Other Loans	1,03,67,92	..	..	..
TOTAL	1,04,13,17	1,00,60,00	1,58,19,98	1,00,80,00
II.—FLOATING DEBT—				
Treasury Bills	20,49,59,25	33,22,84,00	27,68,13,00	38,25,00,00
Other Floating Loans	..	..	..	..
TOTAL	20,49,59,25	33,22,84,00	27,68,13,00	38,25,00,00
B.—*Debt raised in England—*				
Permanent Debt	..	..	..	..
C.—Other Debt	2,66,63	39,50,00	31,50,00	94,93,00
TOTAL—PUBLIC DEBT	21,56,39,05	34,62,94,00	29,57,82,98	40,20,73,00
LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT—				
Advances to State Governments	25,21,97	27,26,05	35,38,27	44,11,74
Other Loans and Advances	8,10,39	14,79,12	11,33,03	11,79,70
TOTAL	33,32,36	42,05,17	46,71,30	55,91,44
Inter-State Settlement—				
India and Pakistan	..	..	..	..
India and Burma	78,22	..	..	..
India and France	..	..	..	..
Centre and Rajasthan	..	..	..	..
Centre and Mysore	..	..	..	..
Centre and Karala	..	..	..	..
Centre and Hyderabad	..	..	..	..
TOTAL	78,22	..	..	..
TOTAL—I.—CONSOLIDATED FUND OF INDIA—RECEIPTS	22,30,94,83	35,04,99,17	30,42,48,04	40,76,64,44

C.—Statement of the Receipts and Disbursements of the Central Government.—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
I.—CONSOLIDATED FUND OF INDIA—*contd.*				
Excess of Expenditure over Revenue (from Statement A) . . .	..	18,04,28	..	26,87,22
CAPITAL ACCOUNTS NOT MET FROM REVENUE—				
Railway Capital (as shown in Railway Budget)	67,51,76	1,13,42,88	1,03,80,71	1,24,17,10
Posts & Telegraphs . . .	9,03,25	9,74,73	9,84,80	9,85,00
Forest	11,64	33,28	17,59	18,31
Security Printing Press . .	51	4,85	2,10	7,61
Irrigation	11,80	17,50	20,14	17,22
Agricultural Improvement and Research	32,27	3,25,90	3,21,98	2,41,89
Industrial Development . .	11,06,88	79,60,52	79,90,84	1,85,42,38
Civil Aviation	1,95,07	3,37,25	3,18,25	2,87,61
Broadcasting	1,16,49	1,55,00	1,40,00	1,65,00
Ports	3,95,95	5,76,55	5,41,04	5,29,02
Currency and Coinage . .	8,47,16	78,64	1,09,34	2,85
Mint	27,68	37,52	31,20	72,00
Delhi Capital Outlay . .	5,33,00	10,06,60	7,94,19	7,38,42
Multi-purpose River Schemes .	2,86,47	2,37,11	3,37,11	3,71,57
Civil Works	19,21,68	18,23,70	18,02,73	11,36,58
Capital Outlay on Electricity Schemes	18,02	76,67	54,91	37,50
Capital Outlay on Other Works .	..	..	..	3,52,00
Road and Water Transport Schemes	1,14	4,50	7,39	13,00
Capital outlay on Shipping, Tankers, etc.	..	1,35,00	20,00	1,63,75
Payments of Commuted Value of Pensions	—42,02	—19,01	—31,27	—31,35
Capital Outlay on Sterling Pension	—8,58,86	—8,81,76	—9,01,22	—8,85,24
Compensation to Displaced Persons	3,68,24	26,23,72	21,18,54	19,90,54
Payments to Retrenched Personnel	—1,49	2,90	—86	—40
Transfer of the Sale Proceeds of American Commodities . .	..	..	..	80,30,00
Defence Capital Outlay	17,59,16	26,30,00	21,35,67	23,54,50
Schemes of Government Trading	—29,58,81	9,51,35	29,95,26	49,35,27
Capital Outlay on Development Grants	13,08,90	12,39,04	12,77,98	10,14,90
TOTAL	1,27,35,89	3,16,74,44	3,13,68,42	5,35,07,03
PUBLIC DEBT—				
A—Debts raised in India—				
1.—PERMANENT DEBT—				
15-Year Annuity Certificates	3,77	11,00	6,50	10,00
Other Loans	69,04,35	57,33	80,05,00	31,75,00
TOTAL—CARRIED OVER	69,08,12	68,33	80,11,50	31,85,00
Carried over	1,27,35,89	3,34,78,72	3,13,68,42	5,61,94,25

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
I.—CONSOLIDATED FUND OF INDIA—*contd.*				
Brought forward . .	1,27,35,89	3,34,78,72	3,13,68,42	5,61,94,25
Brought forward . .	69,08,12	68,33	80,11,50	31,85,00
II.—FLOATING DEBT—				
Treasury Bills	19,26,21,25	29,66,99,00	24,98,13,00	34,60,00,00
Other Floating Loans . .	.	. .	. .	. .
TOTAL .	19,26,21,25	29,66,99,00	24,98,13,00	34,60,00,00
B.—*Debt raised in England*—				
PERMANENT DEBT—				
India Stocks . . / Railway Debenture Stocks	5,23	3,38	3,59	2,58
Railway Annuities. .	1,19,43	91,29	91,29	59,02
TOTAL .	1,24,66	94,67	94,88	61,60
C.—Other Debt	1,96,56	2,93,25	2,74,31	6,27,31
TOTAL—PUBLIC DEBT .	19,98,50,59	29,71,55,25	25,81,93,69	34,98,73,91
LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT—				
Advances to State Governments	2,48,87,15	2,74,25,71	2,32,75,99	2,48,36,71
Other Loans and Advances . .	32,01,29	96,00,16	63,98,17	60,22,71
TOTAL	2,80,88,44	3,70,25,87	2,96,74,16	3,08,59,42
Inter-State Debt Settlements—				
India and Pakistan . .	. .	. .	. .	. .
India and Burma .	.	. .	. .	. .
India and France .	20,94	40	39	40
Centre and Rajasthan .	2,40	. .	. .	. .
Centre and Mysore .	45,00		. .	1,45,00
Centre and Karala	. .	6,00	6,00	. .
Centre and Hyderabad .	. .	. .	3,01,10	. .
TOTAL	68,34	6,40	3,07,49	1,45,40
TOTAL—I.—CONSOLIDATED FUND OF INDIA—DISBURSEMENTS	24,07,43,26	36,76,66,24	31,95,43,76	43,70,72,98

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
II.—CONTINGENCY FUND OF INDIA—				
CONTINGENCY FUND OF INDIA—				
Appropriations from the Consolidated Fund or from any Reserve Fund .	..	..	..	..
TOTAL—II.—CONTINGENCY FUND OF INDIA—RECEIPTS		..	..	..

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
III.—PUBLIC ACCOUNT—				
UNFUNDED DEBT—				
Deposits of Service Funds . .	2,77	2,97	2,72	2,64
Post Office Savings Bank Deposits	1,57,42,07	1,66,20,00	1,80.40,00	1,96,35,00
Defence Savings Bank Deposits .	..	..	..	..
Post Office Cash Certificates . .	—2,95	..	..	..
Defence Savings Certificates .	—68	..	..	..
National Savings Certificates . .	29,17,12	34,10,00	32,83.00	37,70,00
State Provident Funds . .	37,05,46	36,61,82	38,30,99	39,20,25
Other Accounts	2,41,30	2,38,30	2,59,23	2,62,22
Ten-Year Treasury Savings Deposit Certificates . . .	4,81,30	6,00,00	4,00.00	5,40,00
Ten Year National Plan Certificates .	8,86,32	12,50,00	10,54,00	12,50,00
TOTAL. . .	2,40,72,71	2,57,83,59	2,68,69.94	2,93,70,11
DEPOSIT AND ADVANCES—				
Depreciation and other Reserve Funds—				
(*a*) *Interest-bearing*—				
Railway Depreciation and Revenue Reserve Funds as per Railway Budget . . .	57,39,44	50,30,27	49,61,17	50,67,66
Railway Development Fund as shown in Railway Budget .	7,56,69	23.27,18	27,49,46	21,94,92
P. & T. Renewals Reserve Fund .	1,35,00	1,43.44	1,44,00	1,45 82
Telephone Development Fund .	71,57	73,35	67,00	65,00
Other Reserve Funds . .	33,41	44,34	54,51	53,08
(*b*) *Non-interest bearing*—				
Other Reserve Funds . . .	21,21	19,59	19,69	19,30
Appropriation for Reduction or Avoidance of Debt . .	5,00,00	5,00,00	5,00,00	5,00,00
Other Deposits and Advances—				
(*a*) *Interest bearing*—				
Optional Deposits of Excess Profits Tax under the Indian Finance Act, 1942 . . .	—2	..	..	..
Compulsory Deposits of Excess Profits Tax under Ordinance No. XVI of 1943 . . .	28,69	15,00	[illegible]	10,00
Anticipatory Deposits made after provisional assessment of Excess Profits Tax . .	—9,48	..	..	15,00
Deposits towards payment of Excess Profits Tax . .	10	..	..	..
Deposits towards payment of Income Tax. . . .	6,98	20,00	20,00	..
Advance payment of Tax under Section 18-A of the Income Tax Act.	—6,39,12	..	..	..
Deposits under Section 10(2B) of the Indian Income Tax Act	..	..	..	30,00,00
Deposits of Trusts for Indian Princes.	5,54	5,37	5,37	5,20
Other Deposits	30	..	..	..
Carried Over . .	66,50,31	81,78,72	85,36,67	1,10,75,98
Carried Over . .	2,40,72,71	2,57,83,59	2,68,69,94	2,93,70,11

C.—Statement of the Receipts and Disbursements of the Certral Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
III.—PUBLIC ACCOUNT—*contd.*				
Brought forward	2,40,73,71	2,57,83,59	2,68,69,94	2,93,70,11
Brought forward	66,50,31	81,36,72	85,78,67	1,10,75,98
(*b*) *Non-interest bearing*—				
Silver Redemption Reserve	..	..	..	..
Central Road Fund	5,26,33	6,55,86	4,88,90	4,81,45
Kutch Benevolent Fund	50	50	13	..
Fund for the Benefit of Cotton-growers	8,47	41,00	25,50	26,00
Cotton Textiles Fund	2	..	..	..
Sugar (Temporary) Excise Fund	1,64	4,25	4,26	8,23
Reserve Fund for Protection of Sugar Industry	15	..	..	84
Fund for Relief of Ground-nut Cultivators	3	9	4	12
Fund for Relief of Linseed Cultivators	..	..	..	..
Fund for Development of Hand-loom and Khadi Industries	8,98,14	8,43,00	13,78,00	8,94,00
Special Development Fund—				
Fund from the sale proceeds of American Loan Wheat	2,40,27	..	..	..
Fund from the sale proceeds of Wheat received under the Colombo Plan	..	..	..	..
Fund from other Assistance under the Colombo Plan	9,36,64	8,88,00	5,97,00	7,06,00
Fund from Assistance under the Indo-U.S. Technical Co-operation Agreement	28,59,10	37,40,00	28,81,00	22,15,00
Fund from the sale proceeds of American Loan Commodities	..	..	..	40,30,00
Fund for Assistance from Norway for Fisheries Community Development	13,62	6,00	6,00	46,00
Fund from the sale proceeds of commodities received under P.L. 480	..	..	..	50,00,00
Coal Mines Labour Housing and General Welfare Fund	1,40,64	1,25,37	1,29,00	1,31,03
Mica Mines Labour Welfare Fund	19,39	15,00	17,00	17,00
Coal Production Fund	6	1	29	1,35,39
Fund for payment of Bonus to Temporary Clerical Personal under the Unified Scale of Pay	..	..	..	..
Iron and Steel Equalisation Fund	..	..	..	27,91,70
Workmen's Benefit Fund	..	..	..	..
P.O. Certificate Bonus Fund	5,64,05	8,66,90	5,29,33	4,70,44
Deposits of Local Funds	3,81,00	5,03,93	5,15,13	4,02,89
Civil Deposits	1,60,73,78	1,69,00,15	1,67,80,38	1,62,00,41
Other Deposits	55,13,86	52,82,37	56,63,98	54,48,92
Carried over	3,48,28,00	3,81,51,15	3,75,52,62	5,00,81,40
Carried over	2,40,72,71	2,57,83,59	2,68,69,94	2,93,70,11

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
III. PUBLIC ACCOUNT—*con*				
Brought forward	2,40,72,71	2,57,83,59	2,68,69,94	2,93,70,11
Brought forward	3,48,28,00	3,81,51,15	3,75,52,62	5,00,81,40
Transactions connected with War 1939	..	..	..	..
Account of payment in respect of provisional assessment of Excess Profits Tax	—48	..	18,30	..
Deposit account of refundable Excess Profits Tax	87,81	10,00	5,00	5,00
Deposit account of refundable Central Income-Tax Surcharge	3	..	..	..
Deposit account of interest on Excess Profits Tax Deposits	..	5,70	3,15	3,00
Deferred Pay to Indian Troops	..	1,33,35	1,31,80	1,40,60
Post-war Reconstruction Fund	..	..	..	..
Other Accounts	8,76,55	16,07,83	7,05,52	1,00,73
Accounts with the Government of Burma	8,12	25,20	1,45	5,95
Accounts with the Reserve Bank	12,07	1,18,57	1,04,37	94,55
Other Advances	98,85,88	93,09,61	1,13,85,26	1,08,42,93
Value of One-rupee Notes issued	5,00,00	5,00,00	5,00,00	5,00,00
Purchases and Sales of Silver (net)	..	..	..	..
Sales of lease-lend Silver (net)	..	.	..	..
Cash Balance Investment Account(net)	20,45,50	..	10,00	..
Profits on circulation of nickel, bronze and copper coins (net).	..	..	..	..
Discount Sinking Fund	1,17,05	1,28,63	1,28,81	1,58,89
Bonus on Loans	..	..	..	..
Other Suspense Accounts (net)	..	34,37,54	85,99,70	84,27,41
Cheques and Bills (net)	1,66,70	1,50,48	6,17,14	5,66,08
Departmental and Similar Accounts (net).	16,15	1,36,88	8,72,98	6,88,36
Miscellaneous	1,80,12	1,13,00	2,72,42	1,58,16
TOTAL	4,87,23,00	5,38,27,94	6,09,08,14	7,17,73,06
Carried Over	7,27,95,71	7,96,11,53	8,77,78,08	10,11,43,17

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
III. PUBLIC ACCOUNT—*concld.*				
Brought forward . .	7,27,95,71	7,96,11,53	8,77,78,08	10,11,43,17
REMITTANCES—				
I—REMITTANCES WITHIN INDIA—				
Inland Money Orders . .	2,34,16,32	2,43,00,00	2,50,00,00	2,65,50,00
Other Remittances . . .	1,40,14	3,76,15	13,80,53	4,10,40
Accounts between Civil and other Departments— . . .				
Exchange Accounts between Civil and Posts and Telegraphs	42,09,97	44,90,25	37,65,95	49,89,83
Exchange Accounts between Civil and Defence Services .	1,60,21,72	1,82,57,72	1,72,73,34	1,88,87,34
II. REMITTANCES BETWEEN ENGLAND AND INDIA—				
Remittance Accounts between England and India—				
Purchases and Sales of Silver.	..	..	..	..
Other Transactions . .	70,47,27	76,43,83	1,52,54,02	1,31,37,13
TOTAL . .	5,08,35,42	5,50,67,95	6,26,73,81	6,39,74,70
TRANSFER OF CASH BETWEEN ENGLAND AND INDIA—				
Remittances through the Reserve Bank	1,15,09,95	84,21,77	1,54,51,50	1,77,88,22
RESERVE BANK DEPOSITS—RAILWAYS	..	—92,81,42	—75,39,55	—1,17,94,99
TOTAL III—PUBLIC ACCOUNTS RECEIPTS	13,51,41,08	13,38,19,83	15,83,63,84	17,11,11,10
TOTAL—(I+II+III) .	35,82,35,91	48,43,19,00	46,26,11,88	57,87,75,54
OPENING BALANCE . .	32,22,95	50,10,21	4,26,41	50,11,69
GRAND TOTAL . . .	36,14,57,86	48,93,29,21	46,21,15,47	58,37,87,23

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
III. PUBLIC ACCOUNT—				
UNFUNDED DEBT—				
Special Loans	34	53	34	34
Deposits of Service Funds	6.33	4,62	4.40	4.40
Post Office Savings Bank Deposits	1.22,32.99	1 32,20,00	1,47.40.00	1.55.35.00
Defence Savings Bank Deposits	..	..	..	..
Post Office Cash Certificates	1.23.49	1.10 00	82.50	66.00
Defence Savings Certificates	5 29	5 00	2.50	4.00
National Savings Certificates	9.98.66	13.50.00	13.08 00	14.00.00
State Provident Funds	20.86.50	18.27.40	20.83 93	20 84,20
Other Accounts	1.65.93	1.48.10	1[illegible]8.71	1,[illegible]3,76
Ten-Year Treasury Savings Deposit Certificates	73.95	1.00.00	80.00	1,00.00
Ten-Year National Plan Certificates	86.10	1.00.00	1,04.00	1,50.00
TOTAL	1.57.73.68	1.68.65.65	1.85 94.38	1.95.27 70
DEPOSITS AND ADVANCES—				
Depreciation and Other Reserve Funds—				
(*a*) *Interest bearing*—				
Railway Depreciation and Revenue Reserve Funds as per Railway Budget	45,89.88	45 42.07	45.79.53	49.59.37
Railway Development Fund as per Railway Budget	12.13.81	22 16 71	19.46.04	32.36.96
P. & T. Renewals Reserve Fund	98.54	1.25.00	1.15.00	1.15.00
Telephone Development Fund	27.50	65.00	40.00	75 00
Other Reserve Funds	16.57	1.39 01	1,20.45	37.66
(*b*) *Non-interest bearing*—				
Other Reserve Funds	16,81	20.37	18.71	19.51
Avoidance of Debt—Sinking Funds	..	..	..	..
OTHER DEPOSITS AND ADVANCES—				
(*a*) *Interest bearing*—				
Optional Deposits of Excess Profits Tax under the Indian Finance Act, 1942	1.43	..	..	..
Compulsory Deposits of Excess Profits Tax under Ordinance No. XVI of 1943	70,31	27,00	27,00	21,00
Anticipatory Deposits made after provisional assessment of Excess Profits Tax	1,99	1,00	1,00	50
Carried over	60,36.84	71,36,16	68.47.73	85.65,00
Carried over	1,57.73,68	1,68,65,65	1,85,94,38	1,95,27,70

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
III. PUBLIC ACCOUNT—*contd.*				
Brought forward . .	1,57,73,68	1,68,65,65	1,84,94,38	1,95,27,70
Brought forward . .	60,63,84	71,36,16	68,47,73	85,65,00
Deposits towards payment of Excess Profits Tax	—98	..	..	..
Deposits towards payment of Income Tax.	7,72	30,00	25,00	25,00
Deposits towards payment of Super-tax	..	..	..	..
Advance payment of Tax under section 18A of the Income Tax Act	—6,14,06	10,00	10,00	10,00
Deposits under Section 10 (2B) of the Indian Income Tax Act	..	..	..	15,00,00
Deposits of Trusts for Indian Princes	7,37	22,11	22,11	22,11
(*b*) *Non-interest bearing*—				
Silver Redemption Reserve . .	..	..	..	..
Central Road Fund	4,96,36	6,68,51	6,55,56	6,32,22
Kutch Benevolent Fund	23	50	13	..
Fund for the Benefit of Cotton growers	2,04,97	63,51	55,32	54,00
Cotton Textiles Fund	10,23	30,64	30,75	29,78
Sugar (Temporary) Excise Fund .	39,35	1,27,55	72,66	26,36
Reserve Fund for Protection of Sugar Industry	7	..	..	..
Fund for Relief of Groundnut Cultivators	47	3	5	7
Fund for Relief of Linseed Cultivators	21	35	36	17
Fund for Development of Handloom and Khadi Industries . .	11,21,84	10,65,00	16,68,00	8,94,00
Special Development Fund—				
Fund from the sale proceeds of American Loan Wheat . .	..	..	..	..
Fund from the Sale proceeds of Wheat received under the Colombo Plan.	..	..	..	..
Fund from other Assistance under the Colombo Plan	4,85,40	5,36,16	6,37,00	7,07,00
Fund from Assistance under the Indo-U.S. Technical Co-operation Agreement.	11,76,28	22,02,96	21,63,00	21,30,00
Fund from the sale proceeds of American Loan Commodities . .	..	..	..	..
Fund for Assistance from Norway for Fisheries Community Development	13,62	6,00	6,00	46,00
Fund fromthe sale proceeds of Commodities received under P.L 480	..	..	..	
Coal Mines Labour Housing and General Welfare Fund . .	66,82	1,17,41	1,20,87	2,41,13
Mica Mines Labour Welfare Fund .	10,02	31,04	21,30	35,75
Coal Production Fund	..	..	..	2,35,63
Fund for payment of Bonus to Temporary Clerical Personnel under the Unified Scale of Pay	..	..	..	..
Iron and Steel Equalisation Fund	..	.	..	27,90,58
Workmen's Benefit Fund . .	..	60	6	54
P. O. Certificate Bonus Fund . .	31,33	28,91	35,60	40,77
Deposits of Local Funds . .	3,55,70	4,85,19	5,46,17	3,92,16
Civil Deposits	1,64,13,31	1,68,18,37	1,69,72,06	1,62,52,70
Other Deposits	52,56,35	47,56,26	49,70,09	48,53,19
Carried over . . .	3,11,19,45	3,41,67,26	3,48,59,82	3,94,84,16
Carried over . . .	1,57,73,68	1,68,65,65	1,85,94,38	1,95,27,70

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
III. PUBLIC ACCOUNT—*contd.*				
Brought forward .	1,57,73,68	1,68,65,65	1,85,94,38	1,95,27,70
Brought forward .	3,11,19,45	3,41,67,26	3,48,59,82	3,94,84,16
Transactions connected with War 1939	..	..	..	..
Account of payment in respect of provisional assessment of Excess Profits Tax	7,74	10,00	28,00	5,00
Deposit account of refundable Excess Profits Tax	1,32,34	62,00	62,00	11,00
Deposit account of refundable Central Income-Tax Surcharge . .	3	..	..	..
Deposit account of interest on Excess Profits Tax Deposits . . .	2	1,20	2,50	1,50
Deferred Pay to Indian Troops .	..	50,00	72,00	72,00
Post-War Reconstruction Fund	..	..	1,00	3,00
Other Accounts	8,41,03	15,84,08	8,71,95	98,59
Account with the Government of Burma	1,64	26,75	5,85	5,85
Accounts with the Reserve Bank .	4	97,37	95,46	90,09
Other Advances	89,03,30	92,73,65	1,25,34,50	1,20,07,84
Value of One-rupee Notes issued .	..	..	..	..
Purchases and Sales of Silver (net) .	1,26,67	..	.	..
Sale of Lease-Lend Silver (net) .	..	..	..	..
Cash Balance Investment Account (net)	..	..	..	..
Profits on circulation of nickel, bronze and copper coins (net) . .	1,35,43	1,70,51	1,50,00	1,70,00
Discount Sinking Fund . . .	1,66,83	..	2,50,14	..
Bonus on Loans	9	..	..	..
Other Suspense Accounts (net) .	3,92,39	..	..	..
Cheques and Bills (net)	..	..	..	..
Departmental and Similar Accounts (net)	..	..	..	..
Miscellaneous	1,60,88	1,13,17	2,96,18	1,58,33
TOTAL	4,19,87,88	4,55,55,99	4,92,29,40	5,21,07,36
Carried over . .	5,77,61,56	6,24,21,64	6,78,23,78	7,16,35,06

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Bedget Estimate, 1957-58
III. PUBLIC ACCOUNT—*concld.*				
Brought forward	5,77,61,56	6,24,21,64	6,78,23,78	7,16,35,06
REMITTANCES—				
I.—REMITTANCES WITHIN INDIA—				
Inland Money Orders	2,33,71,15	2,43,10,00	2,52,00,00	2,66,00,00
Other Remittances	9,77,40	3,84,25	4,00,98	4,63,50
Accounts between Civil and other Departments—				
Exchange Accounts between Civil, Posts and Telegraphs	41,95,22	44,90,25	37,65,95	49,89,43
Exchange Accounts between Civil and Defence Services	1,59,22,72	1,82,57,72	1,72,73,34	1,88,87,34
II.—REMITTANCE BETWEEN ENGLAND AND INDIA—				
Remittance Account between England and India—				
Purchases and Sales of Silver	..	..	..	..
Other Transactions	72,71,17	76,43,83	1,52,54,02	131,37,13
TOTAL	5,17,37,66	5,50,86,05	6,18,94,29	6,40,77,40
TRANSFER OF CASH BETWEEN ENGLAND AND INDIA—				
Remittances through the Reserve Bank	1,16,42,79	84,21,77	1,54,51,50	1,77,88,22
RESERVE BANK DEPOSITS—				
RAILWAYS	..	—92,81,42	—75,39,55	—1,17,94,99
TOTAL III—PUBLIC ACCOUNT DISBURSEMENTS	12,11,42,01	11,66,48,04	13,76,30,02	14,17,05,69
TOTAL—(I+III)	36,18,85,27	48,43,14,28	45,71,73,78	57,87,78,67
Closing Balance	—4,26,41	50,14,93	50,11,69	50,08,56
GRAND TOTAL	36,14,58,86	48,93,29,21	46,21,85,47	58,37,87,23

Schedule of Demands for Grants (other than Railways), Details of Voted and Charged amount included in the Demands for Grants for Expenditure of the Central Government (Excluding Railways) for 1957-58.

No. of Demand	Service, Administration or Area to which Demand relates	Head of account	Amount (In thousands of rupees) Voted Rs.	charged Rs.	Total Rs.
	I. EXPENDITURE MET FROM REVENUE				
	(I. Ministry of Agriculture)				
1	Ministry of Agriculture	General Administration .	59,80	..	59,80
2	Forest . .	Forest . .	2,07,02	..	2,07,02
3	Agriculture .	Agriculture .	16,15,06	..	16,15,06
4	Civil Veterinary Services .	Veterinary .	1,44,35	..	1,44,35
5	Miscellaneous Departments and other Expenditure under the Ministry of Agriculture .	Miscellaneous Departments and Miscellaneous.	2,87,13	..	2,87,13
	(II. Ministry of Commerce and Consumer Industries)				
6	Ministry of Commerce and Consumer Industries. . .	General Administration	26,08		26,08
7	Consumer Industries.	Industries and Supplies .	15,20,39	..	15,20,39
8	Commercial Intelligence and Statistics.	Miscellaneous Departments.	82,81	..	82,81
9	Miscellaneous Departments and Expenditure under the Ministry of Commerce and Consumer Industries	Miscellaneous Departments and Miscellaneous.	1,34,32	..	1,34,32
	(III. Ministry of Communications)				
10	Ministry of Communications	General Administration .	17,75	..	17,75
11	Indian Posts and Telegraphs, Department (includig working Expenses)	Posts and Telegraphs	58,39,99	*2,78,94*	61,18,93
12	Meteorology .	Scientific Departments	1,52,29	..	1,52,29
13	Overseas Communications Service	Industries and Supplies	1,14,86	*6,73*	1,21,59
14	Aviation	Aviation	3,56,13	*50*	3,56,63
15	Miscellaneous Departments and Expenditure under the Ministry of Communications.	Miscellaneous Departments and miscellaneous	16,98	..	16,98
	TOTAL CARRIED OVER .		1,05,74,96	*2,86,17*	1,08,61,13

No. of Demand	Service, Administration or Area to which Demand relates	Head of Account	Amount (In thousands of rupees) Voted Rs.	Charged Rs.	Total Rs.
	TOTAL—BROUGHT FORWARD		1,05,74,96	*2,86,17*	1,08,61,13
	I. EXPENDITURE MET FROM REVENUE—*contd.*				
	(IV. Ministry of Community Development)				
16	Ministry of Community Development,	General Administration.	20,76	..	20,76
17	Community Development Projects, and National Extension Service.	Community Development etc.	12,30,86	..	12,30,86
	(V. Ministry of Defence)				
18	Ministry of Defence	General Administration.	35,47	..	35,47
19	Defence Services—Effective Army	Defence Services	1,72,38,28	..	1,72,38,28
20	Defence Services—Effective Navy	Defence Services	16,01,41	..	16,01,41
21	Defence Services—Effective Air Force	Defence Services	69,81,49	..	61,81,49
22	Defence Services—Non-effective charges	Defence Services	12,90,85	*91,04*	13,81,89
	(VI. Ministry of Education)				
23	Ministry of Education	General Administration	61,50	..	61,50
24	Archaeology	Scientific Departments	96,93	..	96,93
25	Other Scientific Departments	Scientific Departments	2,76,24	..	2,76,24
26	Education	Education	25,86,61	..	25,86,61
27	Miscellaneous Departments and Expenditure under the Ministry of Education.	Miscellaneous Departments and Miscellaneous.	1,93,71	..	1,93,71
	(VII. Ministry of External Affairs)				
28	Tribal Areas	Tribal Areas	5,82,02	..	5,82,02
29	External Affairs	General Administration and External Affairs	8,30,47	..	8,30,47
30	State of Pondicherry	Miscellaneous	3,30,33	*18*	3,30,51
31	Miscellaneous Expenditure under the Ministry of External Affairs	Miscellaneous	3,61	..	3,61
	TOTAL—CARRIED OVER		4,39,35,50	*3,77,39*	4,43,12,89

No. of Demand	Service Administration or Area to which Demand relates	Head of Account	Amount Voted	(In thousands of rupees) Charged	Total
			Rs.	Rs.	Rs.
	TOTAL—BROUGHT FORWARD		4,39,35,50	*3,77,39*	4,43,12,89
	I. EXPENDITURE MET FROM REVENUE—*contd.* **(VII. Ministry of Finance)**				
32	Ministry of Finance .	General Administration	1,54,94	..	1,54,94
33	Customs .	Customs . .	4,03,13	..	4,03,13
34	Union Excise Duties	Union Excise Duties	7,43,85	*19,16,94*	26,60,79
35	Taxes on Income including Corporation Tax and Estate Duty	Corporation Tax, Taxes on Income and Estate Duty	4,68,79	..	4,68,79
36	Opium	Opium	2,11,07	..	2,11,07
37	Stamps	Stamps	1,66,72	*7,07*	1,73,79
38	Audit	Audit	9,32,00	*19,83*	9,51,83
39	Currency	Currency	3,58,96	*9,45*	3,68,41
40	Mint	Mint	2,79,18	..	2,79,18
41	Territorial and Political Pensions	Territorial and Political Pensions .	27,95	..	27,95
42	Superannuation Allowances and Pensions	Superannuation Allowances and Pensions .	3,16,01	*31,01*	3,47,02
43	Miscellaneous Departments and other Expenditure under the Ministry of Finance	Miscellaneous Departments and Miscellaneous.	25,44,51	*2*	25,44,53
44	Planning Commission	Miscellaneous . .	1,64,61	..	1,64,61
45	Grants-in-aid to States	Grants-in-aid to States	..	*25,16,66*	25,16,66
46	Miscellaneous Adjustments between the Union and State Governments .	Miscellaneous Adjustments between the Union and State Governments	6,10	..	6,10
47	Pre-partition payments	Pre-partition payments	68,81	*1,19*	70,00
	Charged—Interest on Debt and other obligations and reduction or avoidance of Debt . . .	*Interest on Debt. and other obligations and reduction or avoidance of Debt.*	..	*1,19,33,05*	1,19,33,05
	TOTAL—CARRIED OVER		5,07,82,13	*1,68,12,61*	6,75,94,74

No. of Demands	Service Administration or Area to which Demand relates	Head of Account	Amount (In thousands of rupees) Voted	Charged	Total
			Rs.	Rs.	Rs.
	TOTAL—BROUGHT FORWARD		5,07,82,13	*1,68,12,61*	6,75,94,74
	I. EXPENDITURE MET FROM REVENUE—*contd.*				
	(IX. Ministry of Food)				
48	Ministry of Food	General Administration	19,80	..	19,80
49	Miscellaneous Departments and Other Expenditure under the Ministry of Food.	Miscellaneous Department and Miscellaneous.	3,85,67	..	3,85,67
	(X. Ministry of Health)				
50	Ministry of Health	General Administration	13,13	..	13,13
51	Medical Services	Medical	3,88,17	..	3,88,17
52	Public Health	Public Health	9,17,65	..	9,17,65
53	Miscellaneous Expenditure under the Ministry of Health	Miscellaneous	1,03,81	..	1,03,81
	(XI. Ministry of Heavy Industries)				
54	Ministry of Heavy Industries	General Administration.	14,06	..	14,06
55	Heavy Industries	Industries and Supplies.	53,86,78	..	53,86,78
56	Miscellaneous Expenditure under the Ministry of Heavy Industries	Miscellaneous	9,36	..	9,36
	(XII. Ministry of Home Affairs)				
57	Ministry of Home Affairs	General Administration.	2,63,68	..	2,63,68
58	Cabinet		36,56	..	36,56
59	Zonal Councils	General Administration	4,51	..	4,51
60	Police	Police.	4,47,43	..	4,47,43
61	Census	Miscellaneous Departments	8,49	..	8,49
62	Privy Purses and Allowances of Indian Rulers	Privy Purses, etc.	5,11	*5,49,37*	5,54,48
63	Delhi	Distributed over respective heads of accounts.	7,01,63	..	7,01,63
64	Himachal Pradesh		4,67,32	*1,80*	4,69,12
65	Andaman and Nicobar Islands		2,74,27	..	2,74,27
66	Manipur		1,47,53	..	1,47,53
67	Tripura		2,38,27	*42*	2,38,69
68	Laccadive, Minicoy and Amindivi Islands		14,65	..	14,65
	TOTAL—CARRIED OVER		6,06,30,01	*1,73,64,20*	7,79,94,21

No. of Demand	Service, Administration or Area to which Demand relates.	Head of Account	Amount Voted Rs.	(In thousands of rupees) Charged Rs.	Total Rs.
	TOTAL—BROUGHT FORWARD		6,06,30,01	*1,73,64,20*	7,79,94,21
69	Miscellaneous Departments and Expenditure under the Ministry of Home Affairs	Miscellaneous Department and Miscellaneous.	9,37,78	..	9,37,78
	(XIII. Ministry of Information and Broadcasting)				
70	Ministry of Information and Broadcasting.	General Administration	13,21	..	13,21
71	Broadcasting . .	Broadcasting .	3,79,89	..	3,79,89
72	Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting . . .	Miscellaneous Departments and Miscellaneous	3,47,04	..	3,47,04
	(XIV. Ministry of Iron and Steel)				
73	Ministry of Iron and Steel	General Administration	13,70	..	13,70
	(XV. Ministry of Irrigation and Power).				
74	Ministry of Irrigation and Power.	General Administration	17,37	..	17,37
75	Multi-purpose River Schemes.	Multi-purpose River Schemes	1,60,33	..	1,60,33
76	Miscellaneous Departments and other Expenditure under the Ministry of Irrigation and Power	Miscellaneous Departments and Miscellaneous	98,08	..	98,08
	TOTAL—CARRIED OVER . . .		6,25,97,41	*1,73,64,20*	7,99,61,61

No. of Demands	Service Administration or Area to which Demand relates	Head of Account	Amount Voted	(In thousands of rupees) Charged	To
			Rs.	Rs.	Rs.
	TOTAL—BROUGHT FORWARD		6,25,97,41	*1,73,64,20*	7,99,61,61
	I. EXPENDITURE MET FROM REVENUE—*contd.*				
	(XVI. Ministry of Labour)				
77	Ministry of Labour	General Administration.	16,94	..	16,94
78	Chief Inspector of Mines.	Scientific Departments	23,84	..	23,84
79	Miscellaneous Departments and Other Expenditure under the Ministry of Labour	Miscellaneous Departments and Miscellaneous.	8,66,57	..	8,66,57
	(XVII. Ministry of Law)				
80	Ministry of Law	General Administration	1,72,38	..	1,72,38
81	Administration of Justice	Administration of Justice	2,38	*12,61*	14,99
82	Miscellaneous Expenditure under the Ministry of Law	Miscellaneous	6,25	..	6,25
	(XVIII. Ministry of Natural Resources and Scientific Research).				
83	Ministry of Natural Resources and Scientific Research.	General Administration.	14,59		14,59
84	Survey of India	Scientific Departments.	1,64,85	..	1,64,85
85	Botanical Survey	Scientific Departments.	10,67	..	10,67
86	Zoological Survey	Scientific Departments.	10,24	..	10, 24
87	Geological Survey	Scientific Departments.	95,35	..	95,35
88	Mines	Scientific Departments.	48,63	..	48,63
89	Scientific Research.	Scientific Departments.	3,56,19	..	3,56,19
90	Exploration of Oil and Natural Gas.	Scientific Departments.	2,57,67	..	2,57,67
91	Miscellaneous Expenditure under the Ministry of Natural Resources and Scientific Research.	Miscellaneous	1,83	..	1,83
	TOTAL—CARRIED OVER		6,46,45,79	*1,73,76,81*	8,20,22,60

No. of Demand	Service, Administration or Area to which Demand relates.	Head of Account	Amount (In thousands of rupees) Voted Rs.	Charged Rs.	Total Rs.
	TOTAL—BROUGHT FORWARD		6,46,45,79	1,73,76,81	8,20,22,60
	I. EXPENDITURE MET FROM REVENUE —*contd.*				
	(XIX. Ministry of Production.)				
92.	Ministry of Production.	General Administration.	17,39	..	17,39
93.	Salt and Other Organisations of the Ministry of Production.	Industries and Supplies.	8,43,32	4,13	8,47,45
94.	Miscellaneous Departments and Expenditure under the Ministry of Production.	Miscellaneous Departments and Miscellaneous.	2,46,40	..	2,46,40
	(XX. Ministry of Rehabilitation)				
95.	Ministry of Rehabilitation.	General Administration.	43,75	..	43,75
96.	Expenditure on displaced persons	Miscellaneous	22,50,26	..	22,50,26
	(XXI. Ministry of Transport)				
97.	Ministry of Transport	General Administration.	53,92	..	53,92
98.	Ports and Pilotage	Ports and Pilotage.	63,17	..	63,17
99.	Lighthouses & Lightships	Lighthouses and Lightships	1,38,56	..	1,38,56
100.	Central Road Fund	Civil Works	4,28,19	..	4,28,19
101.	Communications (including National Highways.)	Civil Works	5,72,68	..	5,72,68
102.	Miscellaneous Departments and Expenditure under the Ministry of Transport.	Miscellaneous Departments and Miscellaneous	40,96	..	40,96
	TOTAL—CARRIED OVER		6,93,44,39	1,73,80,94	8,67,25,33

No. of Demand	Service, Administration or Area to which Demand relates	Head of Account	Amount (In thousands of rupees) Voted Rs.	Charged Rs.	Total Rs.
	TOTAL—BROUGHT FORWARD		6,93,44,39	*1,73,80,94*	8,67,25,33
	I. EXPENDITURE MET FROM REVENUE—*Concld.*				
	(XXII. Ministry of Works, Housing and Supply).				
103.	Ministry of Works, Housing and Supply	General Administration.	56,01	..	56,01
104.	Supplies	Industries and Supplies.	2,61,14	..	2,61,14
105.	Other Civil Works	Civil Works.	20,66,52	*33,52*	21,00,04
106.	Stationery and Printing.	Stationery and Printing.	6,89,77	..	6,89,77
107.	Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply.	Miscellaneous Departments and Miscellaneous.	90,82	..	90,82
	(XXIIII. Department of Atomic Energy)				
108.	Department of Atomic Energy	General Administration	8,70	..	8,70
109.	Atomic Energy Research	Scientifie Departments	3,10,00	..	3,10,00
	(XXIV. Department of Parliamentary Affairs)				
110.	Department of Parliamentary Affairs	General Administration	1,91	..	1,91
	(XXV. Lok Sabha)				
111.	Lok Sabha.	General Administration.	1,20,69	*67*	1,21,36
112.	Miscellaneous Expenditure under Lok Sabha	Miscellaneus	34	..	34
	(XXVI. Rajya Sabha):				
113.	Rajya Sabha General Administration.		36,82	*77*	37,59
	(XXVII. Secretariat of the President)				
	Charged—Staff, household and Allowances of the President.	General Administration.	..	*18,38*	18,38
	(XXVIII.—Secretariat of the Vice-President:.				
114.	Secretariat of the Vice-President.	General Administration.	62	..	62
	(XXIX. Unio Public Service Commission).				
	Chargeed—Union Public Service Commission	General Administration.	..	*36,74*	36,74
	TOTAL		7,29,87,73	*1,74,71,02*	9,04,58,75(a)

(*a*) Expenditure shown in the Budget Statement	7,58,83,48
Add— Posts and Telegraphs—Working Expenses	54,11,01
Electricity Schemes—Working Expenses	7,70
Road Transport Schemes—Working Expenses.	46,21
Amount for eliminating recoveries	1,70,60,00
	9,84,08,40
Deduct—Railway Expenditure	—79,49,65
TOTAL	9,04,58,75

No. of Demand	Service Administration or area to which Demand relates	Head of account	Amount (In thousands of ruppees) Voted. Rs.	Charged Rs.	Total Rs.
	II. EXPENDITURE MET FROM CAPITAL AND DISBURSEMENT OF LOANS AND ADVANCES.				
	(I. Ministry of Agriculture)				
115.	Capital Outlay on Forests.	Capital Outlay on Forests.	18,31	..	18,31
116.	Other Capital Outlay of the Ministry of Agriculture.	Capital Outlay on Agricultural Research and Improvements and schemes of Government Trading.	31,40,82	..	31,40,82
	(II. Ministry of Commerce and Consumer Industries.)				
117.	Capital Outlay of the Ministry of Commerce and Consumer Industries.	Distributed over respective heads of account.	9,08,53	..	9,08,53
	(III. Ministry of Communications).				
118.	Capital Outlay on Indian Posts & Telegraphs (not met from Revenue).	Capital outlay on Posts and Telegraphs.	24,77,45	..	24,77,45
119.	Capital outlay on Civil Aviation.	Capital outlay on Civil Aviation.	2,87,61	..	2,87,61
120.	Other Capital Outlay Of the Ministry of Communications.	Distributed over respective heads of account.	7,66,92	..	7,66,92
	(IV. Ministry of Community Development.)				
121.	Capital Outlay of the Ministry of Community Development.	Distributed over respective heads of Account.	1,67,49	..	1,67,49
	(V. Ministry of Defence).				
122.	Defence Capital Outlay.	Defence Capital Outlay.	25,00,00	..	25,00,00
	(VI. Ministry of Education.)				
123.	Capital Outlay of the Ministry of Education.	Capital Outlay on Schemes of Government Trading.	39,37	..	39,37
	(VII. Ministry of External Affairs).				
124.	Capital Outlay of the Ministry of External Affairs.	Capital outlay on Schemes of Government Trading.	30,00	..	30,00
	(VIII. Ministry of Finance.)				
125.	Capital Outlay on the India Security Press.	Capital Outlay on the India Security Press.	7,61	..	7,61
126.	Capital Outlay on Currency and Coinage	Currency Capital Account outside the Revenue Account.	.. 2,66,81	..	2,66,81
127.	Capital Outlay on Mints.	Capital Outlay on Mints.	72,00	..	72,00
	TOTAL—CARRIED OVER		1,06,82,92	..	1,06,82,92

No. of Demand	Service, Administration or Area to which Demand relates	Head of Account	Amount (In thousands of rupees) Voted	Charged	Total.
			Rs.	Rs.	Rs.
	TOTAL—BROUGHT FORWARD		1,06,82,92	..	1,06,82,92
	II. EXPENDITURE MET FROM CAPITAL AND DISBURSEMENT OF LOANS AND ADVANCES.—*contd.*				
	(VIII. Ministry of Finance)—*concld.*				
128.	Commuted value of pensions.	Payments of Commuted value of Pensions.	42,55	*1,00*	43,55
129.	Payments to Retrenched personnel.	Payments to Retrenched Personnel	24	..	24
130.	Other Capital Outlay of the Ministry of Finance.	Distributed over respective heads of account.	89,85,50	..	89,85,50
131.	Loans and Advances by the Central Government.		64,36,14	*2,53,07,77*	3,17,43,91
	Charged—Re-payment of Debt.		..	*35,00,19,31*	35,00,19,31
	(IX.—Ministry of Food)				
132.	Purchases of food-grains.	Capital Outlay on schemes of Government Trading.	1,46,25,00	..	1,46,25,00
133.	Other Capital Outlay of the Ministry Government of Food	Capital Outlay on schemes of Trading.	3,74,00	..	3,74,00
	(X. Ministry of Health)				
134.	Capital Outlay of the Ministry of Health.	Capital Outlay on Schemes of Government Trading.	10,10,88	..	10,10,88
	(XI. Ministry of Heavy Industries)				
135.	Capital Outlay of the Ministry of Heavy Industries.	Capital Outlay on Schemes of Government Trading.	2,72,14	..	2,72,14
	(XII. Ministry of Home Affairs.)				
136.	Capital Outlay of the Ministry of Home Affairs.	Capital Outlay on Schemes of Government Trading.	2,22,89	..	2,22,89
	(XIII. Ministry of Information and Broadcasting)				
137.	Capital Outlay on Broadcasting	Capital Outlay on Broadcasting.	3,40,00	..	3,40,00
	(XIV. Ministry of Iron and Steel)				
138.	Capital Outlay on the Ministry of Iron and Steel.	Distributed over respective heads of accounts.	1,57,83,00	..	1,57,83,00
	TOTAL—CARRIED OVER		5,87,75,26	*37,53,28,08*	43,41,03,34

No. of Demands	Service, Administration or Area to which Demand relates.	Head of Account	Amount (In thousands of rupees) Voted Rs.	Charged Rs.	Total Rs.
	TOTAL—BROUGHT FORWARD		5,87,75,26	37,53,28,08	43,41,03,34
	II. EXPENDITURE MET FROM CAPITAL AND DISBURSEMENT OF LOANS AND ADVANCES—*contd.*				
	(XV. Ministry of Irrigation and Power)				
139.	Capital Outlay on Multipurpose River Schemes.	Capital Outlay on Multipurpose River Schemes.	3,73,07	..	3,73,07
140.	Other Capital Outlay of the Ministry of Irrigation and Power.	Distributed over the respective heads of account.	94,87	..	94,87
	(XVI. Ministry of Labour)				
141.	Capital Outlay of the Ministry of Labour.	Capital Outlay on Schemes of Government Trading.	34,22	..	34,22
	(XVII. Ministry of Natural Resources and Scientific Research)				
142.	Capital Outlay of the Ministry of Natural Resources and Scientific Research.	Distributed over respective heads of account.	5,28,45	..	5,28,45
	(XVIII. Ministry of Production)				
143.	Capital Outlay of the Ministry of Production.	Distributed over respective heads of account.	9,18,93	..	9,18,93
	(XIX. Ministry of Rehabilitation)				
144.	Capital Outlay of the Ministry of Rehabilitation.	Capital Outlay on Indusatrial Development.	24,00,00	..	24,00,00
	(XX. Ministry of Transport)				
145.	Capital Outlay on Ports.	Capital Outlay on Ports.	5,35,00	..	5,35,00
146.	Capital Outlay on Roads.	Capital Outlay on Roads.	14,50,00	..	14,50,00
147.	Other Capital Outlay of the Ministry of Transport.	Capital Outlay on Schemes of Government Trading.	3,53,00	..	3,53,00
	TOTAL—CARRIED OVER		6,54,62,80	37,53,28,08	44,07,90,88

No. of Demand	Service, Administration or Area to which Demand relates.	Head of Account	Amount (In thousands of rupees) Voted Rs.	Charged Rs.	Total Rs.
	TOTAL—BROUGHT FORWARD		6,54,62,80	*37,53,28,08*	44,07,90,88
	II. EXPENDITURE MET FROM CAPITAL AND DISBURSEMENT OF LOANS AND ADVANCES—*concld.*				
	XXI. Ministry of Works, Housing and Supply)				
148.	Delhi Capital Outlay	Delhi, Capital Outlay.	7,33,19	*5,23*	7,38,42
149.	Capital Outlay on Buildings.	Capital account of Civil Works outside the Revenue Account.	4,58,72	*2,86*	4,61,58
150.	Other Capital Outlay of the Ministry of Works, Housing and Supply.	Capital Outlay on Industrial Development and Schemes of Government Trading.	2,15,76	..	2,15,76
	(XXII.—Department of Atomic Energy)				
151.	Capital Outlay of the Department of Atomic Energy	Distributed over respective heads of account.	9,00,00	..	9,00,00
	TOTAL—EXPENDITURE MET FROM CAPITAL ETC.		6,77,70,47	*37,53,36,17*	44,31,06,64
	GRAND TOTAL		14,07,58,20	*39,28,07,19*	53,35,65,39

NOTE

In pursuance of Article 116 of the Constitution, Lok Sabha is being asked to vote five months' supply pending the detailed consideration of the Demands for Grants for the year 1957-58. This statement shows the sums required for meeting expenditure likely to be incurred during the months of April—August, 1957. Broadly the provision represents five-twelfth of the estimated gross expenditure included in the Demands for Grants for 1957-58, except in certain cases like Grants to States, Privy Purses, etc., to Rulers of Indian States, purchase of opium, purchases of food grains. etc., by the Ministry of Food, where the ratio cannot be applied rigidly and larger provision is required to meet the likely payments during the months of April to August, 1957.

Estimate of expenditure for which a vote on account is required for the year ending the 31st March, 1958

Table of Demand or Appropriation	Total Demand (In thousands of Rupees)		Amount required on account (In thousands of Rupees)	
	Voted	*Charged*	Voted	*Charged*
I.—EXPENDITURE MET FROM REVENUE :				
(I.—MINISTRY OF AGRICULTURE)				
1. Ministry of Agriculture . .	59,80	..	24,92	..
2. Forest	2,07,02	..	86,26	..
3. Agriculture	16,15,06	..	6,72,94	..
4. Civil Veterinary Services .	1,44,35	..	60,15	..
5. Miscellaneous Departments and other Expenditure under the Ministry of Agriculture .	2,87,13	..	1,19,63	..
(II.—MINISTRY OF COMMERCE AND CONSUMER INDUSRIES)				
6. Ministry of Commerce and Consumer Industries . .	26,08	..	10,87	..
7. Consumer Industries . .	15,20,39	..	6,33,50	..
8. Commercial Intelligence and Statistics	82,81	..	34,50	..
9. Miscellaneous Departments and other Expenditure under the Ministry of Commerce and Consumer Industries . .	1,34,32	..	55,97	..
(III.—MINISTRY OF COMMUNICATIONS)				
10. Ministry of Communictions .	17,75	..	7,40	..
11. Indian Posts and Telegraphs Departments . . .	58,39,99	*2,78,94*	24,33,33	*1,16,22*
12. Meteorology	1,52,29	..	63,45	..
13. Overseas Communications Service	1,14,86	*6,73*	47,86	*2,80*
14. Aviation	3,56,13	*50*	1,48,39	*21*
15. Miscellaneous Departments and Expenditure under the Ministry of Communications	16,98	..	7,06	..
(IV.—MINISTRY OF COMMUNITY DEVELOPMENT)				
16. Ministry of Community Development	20,76	..	8,65	..
17. Community Development Projects and National Extension Service	12,30,86	..	5,12,86	..

Table of Demand or Appropriation	Total Demand (In thousands of Rupees)		Amount required on account (In thousands of Rupees)	
	Voted	*Charged*	Voted	*Charged*
(V.—MINISTRY OF DEFENCE)				
18. Ministry of Defence . .	35,47	..	14,78	..
19. Defence Services—Effective—Army	1,72,38,28	..	71,82,62	..
20. Defence Services—Effective—Navy	16,01,41	..	6,67,25	..
21. Defence Services—Effective—Air Force	69,81,49	..	29,08,95	..
22. Defence Services—Non-Effective Charges	12,90,85	*91,04*	5,37,85	*37,93*
(VI.—MINISTRY OF EDUCATION)				
23. Ministry of Education .	61,50	..	25,63	..
24. Archaeology	96,93	..	40,39	..
25. Other Scientific Departments.	2,76,24	.	1,15,10	..
26. Education	25,86,61	..	10,77,75	..
27. Miscellaneous Departments and Expenditure under the Ministry of Education . .	1,93,71	..	80,71	..
(VII.—MINISTRY OF EXTERNAL AFFAIRS)				
28. Tribal Areas	5,82,02	.	2,42,51	..
29. External Affairs . . .	8,30,47	.	3,46,03	..
30. State of Pondicherry . .	3,30,33	*18*	1,37,64	7
31. Miscellaneous Expenditure under the Ministry of External Affairs	3,61	..	1,50	..
(VIII.—MINISTRY OF FINANCE)				
32. Ministry of Finance . .	1,54,94	..	64,56	..
33. Customs	4,03,13	..	1,67,97	..
34. Union Excise Duties . .	7,43,85	*19,16,94*	3,09,94	*7,98,72*
35. Taxes on Income including Corporation Tax and Estate Duty.	4,68,79	..	1,95,33	..
36. Opium	2,11,07	..	1,89,82	..
37. Stamps	1,66,72	*7,07*	69,47	*2,95*
38. Audit	9,32,00	*19,83*	3,88,33	*8,26*
39. Currency	3,58,96	*9,45*	1,49,57	*3,95*
40. Mint	2,79,18	..	1,16,32	..
41. Territorial and Political Pensions.	27,95	..	11,65	..
42. Superannuation Allowances and Pensions	3,16,01	*31,01*	1,58,00	*15,50*
43. Miscellaneous Departments and other Expenditure under the Ministry of Finance . .	25,44,51	*2*	10,60,21	*1*
44. Planning Commission . .	1,64,61	..	68,59	..

Table of Demand or Appropriation	Total Demand (In thousands of Rupees)		Amount required on account (In thousands of Rupees)	
	Voted	Charged	Voted	Charged
(VIII.—MINISTRY OF FINANCE) — *contd.*				
45. Grants-in-aid to States . .		*25,16,66*	..	*12,58,33*
46. Miscellaneous Adjustments between the Union and State Governments . .	6,10	.	2,54	..
47. Pre-partition Payments .	68,81	*1,19*	28,67	50
Interest on Debt and other obligations and Reduction or avoidance of Debt	..	*1,19,33,05*	..	*49,72,11*
(IX.—MINISTRY OF FOOD)				
48. Ministry of Food . .	19,80	.	8,25	..
49. Miscellaneous Departments and other Expenditure under the Ministry of Food . . .	3,85,67	..	1,60,70	..
(X.—MINISTRY OF HEALTH)				
50. Ministry of Health	13,13	..	5,47	..
51. Medical Services .	3,88,17	.	1,61,74	..
52. Public Health . .	9,17,65	..	3,82,35	..
53. Miscellaneous Expenditure under the Ministry of Health	1,03,81	..	43,25	..
(XI.—MINISTRY OF HEAVY INDUSTRIES)				
54. Ministry of Heavy Industries	14,06	..	5,86	..
55. Heavy Industries .	53,86,78	..	22,44,49	..
56. Miscellaneous Expenditure under the Ministry of Heavy Industries	9,36	.	3,90	..
(XII.—MINISTRY OF HOME AFFAIRS)				
57. Ministry of Home Affairs .	2,63,68	..	1,09,87	..
58. Cabinet	36,56	..	15,23	..
59. Zonal Councils . .	4,51	..	1,88	..
60. Police . . .	4,47,43	..	1,86,43	..
61. Census	8,49	..	3,54	..
62. Privy Purses and Allowances of Indian Rulers . . .	5,11	*5,19,37*	2,55	*2,74,69*
63. Delhi	7,01,63	..	2,92,34	..
64. Himachal Pradesh . .	4,67,32	*1,80*	1,94,72	*75*
65. Andaman and Nicobar Islands	2,74,27	..	1,14,28	..
66. Manipur	1,47,53	..	61,47	..
67. Tripura	2,38,27	*42*	199,28	*81*
68. Laccadive, Minicoy and Amindive Islands	14,65	..	6,10	..
69. Miscellaneous Departments and Expenditure under the Ministry of Home Affairs .	9,37,78	..	3,90,74	..

Table of Demand or Appropriation	Total Demand (In thousands of Rupees)		Amount required on account (In thousands of Rupees)	
	Voted	*Charged*	Voted	*Charged*
(XIII.—MINISTRY OF INFORMATION AND BROADCASTING)				
70. Ministry of Information and Broadcasting	13,21	..	5,50	..
71. Broadcasting	3,79,89	..	1,58,29	..
72. Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting	3,47,04	..	1,44,60	..
(XIV.—MINISTRY OF IRON AND STEEL)				
73. Ministry of Iron and Steel	13,70	..	5,71	..
(XV.—MINISTRY OF IRRIGATION AND POWER)				
74. Ministry of Irrigation and Power	17,37	..	7,24	..
75. Multi-purpose River Schemes	1,60,33	..	66,80	..
76. Miscellaneous Departments and Expenditure under the Ministry of Irrigation and Power	98,08	.	40,87	..
(XVI.—MINISTRY OF LABOUR)				
77. Ministry of Labour	16,94	..	7,06	.
78. Chief Inspector of Mines	23,84		9,93	..
79. Miscellaneous Departments and other Expenditure under the Ministry of Labour	8,66,57	..	3,61,07	.
(XVII.—MINISTRY OF LAW)				
80. Ministry of Law	1,72,38	.	71,82	..
81. Administration of Justice	2,38	*12,61*	99	*5,25*
82. Miscellaneous Expenditure under the Ministry of Law	6,25	.	2,60	..
XVIII.—MINISTRY OF NATURAL RESOURCES AND SCIENTIFIC RESEARCH)				
83. Ministry of Natural Resources and Scientific Research	14,59	.	6,08	.
84. Survey of India	1,64,85	.	68,69	.
85. Botanical Survey	10,67		4,45	..
86. Zoological Suvey	10,24	.	4,27	..
87. Geological Survey	95,35		39,73	..
88. Mines	48,63	..	20,26	.
89. Scientific Research	3,56,19	.	1,48,41	.
90. Exploration of Oil and Natural Gas	2,57,67	.	1,07,36	..
91. Miscellaneous Expenditure under the Ministry of Natural Resources and Scientific Research	1,83	..	76	..

Table of Demand or Appropriation	Total Demand (In thousands of Rupees		Amount required on account (In thousands of Rupees)	
	Voted	*Charged*	Voted	*Charged*
(XIX.—MINISTRY OF PRODUCTION)				
92. Ministry of production	17,39	.	7,25	..
93. Salt and Other Organisations of the Ministry of production .	8,43,32	*4,13*	3,51,72	*1,72*
94. Miscellaneous Departments and Expenditure under the Ministry of production . .	2,46,40	..	1,02,67	..
(XX.—MINISTRY OF REHABILITATION)				
95. Ministry of Rehabilitation .	43,75	..	16,23	..
96. Expenditure on Displaced persons	22,50,26	..	9,37,61	..
(XXI.—MINISTRY OF TRANSPORT)				
97. Ministry of Transport . .	53,92	.	22,47	..
98. Ports and Pilotage . .	63,17	..	26,32	..
99. Lighthouses and Lightships	1,38,56	.	57,73	..
100. Central Road Fund . .	4,28,10	.	1,78,41	..
101. Communications (including National Highways) . .	5,72,68	..	2,38,62	..
102. Miscellaneous Departments and Expenditure under the Ministry of Transport . . .	40,96	..	17,07	..
(XXII.—MINISTRY OF WORKS, HOUSING AND SUPPLY)				
103. Ministry of Works, Housing and Supply . . .	56,01	..	23,34	.
104. Supplies	2,61,14	..	1,08,81	..
105. Other Civil Works . .	20,66,52	*33,52*	8,61,05	[illegible]
106. Stationery and Printing .	6,89,77	..	2,87,40	..
107. Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply	90,82	..	37,84	..
(XXIII.—DEPARTMENT OF ATOMIC ENERGY)				
108. Department of Atomic Energy	8,70	..	3,63	.
109. Atomic Energy Research .	3,10,00	.	1,29,17	..
(XXIV.—DEPARTMENT OF PARLIAMENTARY AFFAIRS)				
110. Department of Parliamentary Affairs	1,91	..	79	..
(XXV.—LOK SABHA)		67		
111. Lok Sabha	1,20,69		40,23	*22*
112. Miscellaneous Expenditure under Lok Sabha . . .	34	..	34	..

Table of Demand or Appropriation	Total Demand (In thousands of Rupees)		Amount required on account (In thousands of Rupees)	
	Voted	*Charged*	Voted	*Charged*
(XXVI.—RAJYA SABHA)				
113. Rajya Sabha	36,82	77	12,27	25
(XXVII.—SECRETARIAT OF THE PRESIDENT)				
Charged—Staff, Household and Allowances of the President .	..	18,38	..	7,66
(XXVIII.—SECRETARIAT OF THE VICE-PRESIDENT)				
114. Secretariat of the Vice-President	62	..	26	..
(XXIX.—UNION PUBLIC SERVICE COMMISSION)				
Charged—Union Public Service Commission . . .	..	36,74	..	15,30
TOTAL—EXPENDITURE MET FROM REVENUE . . .	7,29,87,73	1,74,71,02	3,05,27,58	75,37,56
II.—EXPENDITURE MET FROM CAPITAL AND DISBURSEMENT OF LOANS AND ADVANCES				
(I.—MINISTRY OF AGRICULTURE)				
115. Capital Outlay on Forests .	18,31	..	7,63	..
116. Other Capital Outlay of the Ministry of Agriculture . .	31,40,82	..	13,08,67	..
(II.—MINISTRY OF COMMERCE AND CONSUMER INDUSTRIES)				
117. Capital Outlay of the Ministry of Commerce and Consumer Industries	9,08,53	..	3,78,55	..
(III.—MINISTRY OF COMMUNICATIONS)				
118. Capital Outlay on Indian Posts and Telegraphs (not met from Revenue)	24,77,45	..	10,32,27	..
119. Capital Outlay on Civil Aviation	2,87,61	..	1,19,84	..
120. Other Capital Outlay of the Ministry of Communications .	7,66,92	..	3,19,55	..
(IV.—MINISTRY OF COMMUNITY DEVELOPMENT)				
121. Capital Outlay of the Ministry of Community Development .	1,67,49	..	69,79	..
(V.—MINISTRY OF DEFENCE)				
122. Defence Capital Outlay .	25,00,000	..	10,41,67	..

Table of Demand or Appropriation	Total Demand (In thousands of Rupees)		Amount required on account (In thousands of Rupees)	
	Voted	*Charged*	Voted	*Charged*
(VI.—MINISTRY OF EDUCATION)				
123. Capital Outlay of the Ministry of Education . . .	39,37	..	16,40	
(VII.—MINISTRY OF EXTERNAL AFFAIRS)				
124. Capital Outlay of the Ministry of External Affairs . .	30,00	..	12,50	.
(VIII.—MINISTRY OF FINANCE)				
125. Capital Outlay on the Indian Security Press .	7,61	.	3,17	.
126. Capital Outlay on Currency and Coinage. . . .	2,66,81	.	1,11,17	.
127. Capital Outlay on Mints	72,00	.	30,00	.
128. Commuted Value of Pensions	42,55	*1,00*	17,73	*42*
129. Payments to Retrenched personnel .	24	..	10	.
130. Other Capital Outlay of the Ministry of Finance	89,85,50	..	37,43,96	..
131. Loans and Advances by the Central Government .	64,36,14	*2,53,07,77*	16,66,62	*60,00,00*
Charged—Repayment of Debt .	..	*35,00,19,31*	..	*14,68,41,38*
(IX.—MINISTRY OF FOOD)				
132. Purchase of Foodgrains .	1,46,25,00	..	67,06,36	..
133. Other Capital Outlay of the Ministry of Food . . .	3,74,00	..	13,74	..
(X.—MINISTRY OF HEALTH)				
134. Capital Outlay of the Ministry of Health. . . .	10,10,18	..	4,21,20	..
(XI.—MINISTRY OF HEAVY INDUSTRIES)				
135. Capital Outlay of the Ministry of Heavy Industries. . .	2,72,14	..	1,13,39	..
(XII.—MINISTRY OF HOME AFFAIRS)				
136. Capital Outlay of the Ministry of Home Affairs. . . .	2,22,89	..	92,8	..
(XIII.—MINISTRY OF INFORMATION AND BROADCASTING)				
137. Capital Outlay on Broadcasting	3,40,00	..	1,41,66	..
(XIV.—MINISTRY OF IRON AND STEEL)				
138. Capital Outlay of the Ministry of Iron and Steel . . .	1,57,83,00		65,76,25	..

Table of Demand or Appropriation	Total Demand (In thousands of Rupees)		Amount required on account (In thousands of Rupees)	
	Voted	*Charged*	Voted	*Charged*
(XV.—MINISTRY OF IRRIGATION AND POWER)				
139. Capital Outlay on Multipurpose River Schemes	3,73,07	..	1,55,44	..
140. Other Capital Outlay of the Ministry of Irrigation and Power	94,87	..	39,53	..
(XVI.—MINISTRY OF LABOUR)				
141. Capital Outlay of the Ministry of Labour	34,22	..	14,26	..
(XVII.—MINISTRY OF NATURAL RESOURCES AND SCIENTIFIC RESEARCH)				
142. Capital Outlay of the Ministry of Natural Resources and Scientific Research	5,28,45	.	2,20,19	..
(XVIII.—MINISTRY OF PRODUCTION)				
143. Capital Outlay of the Ministry of Production	9,18,93	..	3,82,89	..
(XIX.—MINISTRY OF REHABILITATION)				
144. Capital Outlay of the Ministry of Rehabilitation	24,00,00	..	10,00,00	..
(XX.—MINISTRY OF TRANSPORT)				
145. Capital Outlay on Ports	5,35,00	..	2,22,92	.
146. Capital Outlay on Roads	14,50,00	..	6,04,17	..
147. Other Capital Outlay of the Ministry of Transport	3,53,00	..	1,47,08	..
(XXI.—MINISTRY OF WORKS, HOUSING AND SUPPLY)				
48. Delhi Capital Outlay	7,33,19	*5,23*	3,05,50	*2,18*
49. Capital Outlay on Buildings	4,58,72	*2,86*	1,91,13	*1,19*
50. Other Capital Outlay of the Ministry of Works, Housing and Supply	2 15,76	..	89,90	..
(XXII.—DEPARTMENT OF ATOMIC ENERGY)				
151. Capital Outlay of the Department of Atomic Energy	9,00,00	..	3,75,00	..
TOTAL—EXPENDITURE MET FROM CAPITAL AND DISBURSEMENT OF LOANS AND ADVANCES	6,77,70,47	*37,53,36,17*	2,78,33,10	*15,28,45,17*
GRAND TOTAL	14,07,58,20	*39,28,07,19*	5,83,60,68	*16,03,82,73*

Bill No. 7 of 1957

THE APPROPRIATION (VOTE ON ACCOUNT) BILL, 1957 AS INTRODUCED IN LOK SABHA

A

BILL

to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the service of a part of the financial year 1957-58.

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows: —

1. *Short title.* This Act may be called the Appropriation (Vote on Account) Act, 1957.

2. *Withdrawal of Rs. 21,87,43,41,000 from and out of the Consolidated Fund of India for the financial year 1957-58.*— From and out of the Consolidated Fund of India there may be withdrawn sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of twenty-one hundred and eighty-seven crores, forty-three lakhs and forty-one thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1957-58.

3. *Appropriation.*—The sums authorised to be withdrawn from and out of the Consolidated Fund by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE
(*See* sections 2 and 3)

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Ministry of Agriculture .	24,92,000	..	24,92,000
2	Forest . .	86,26,000	..	86,26,000
3	Agriculture .	6,72,94,000	..	6,72,94,000
4	Civil Veterinary Services	60,15,000	..	60,15,000
5	Miscellaneous Departments and other Expenditure under the Ministry of Agriculture .	1,19,63,000	..	1,19,63,000
6	Ministry of Commerce and Consumer Industries	10,87,000		10,87,000
7	Consumer Industries	6,33,50,000	..	6,33,50,000
8	Commercial Intelligence and Statistics . . .	34,50,000	..	34,50,000
9	Miscellaneous Departments and other Expenditure under the Ministry of Commerce and Consumer Industries . .	55,97,000	..	55,97,000
10	Ministry of Communications	7,40,000	..	7,40,000
11	Indian Posts and Telegraphs Department	24,33,33,000	*1,16,22,000*	25,49,55,000
12	Meteorology . . .	63,45,000	..	63,45,000
13	Overseas Communications Service	47,86,000	*2,80,000*	50,66,000
14	Aviation	1,48,39,000	*22,000*	1,48,61,000
15	Miscellaneous Departments and Expenditure under the Ministry of Communications .	7,06,000	..	7,06,000
16	Ministry of Community Development	8,65,000	..	8,65,000
17	Community Development Projects and National Extension Service	5,12,86,000	..	5,12,86,000
18	Ministry of Defence . .	14,78,000	..	14,78,000
19	Defence Services—Effective—Army	71,82,62,000	..	71,82,62,000
20	Defence Services—Effective—Navy . . .	6,67,25,000	..	6,67,25,000

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
21	Defence Services—Effective—Air Force . . .	29,08,95,000		29,08,95,000
22	Defence Services—Non-Effective Charges . . .	5,37,85,000	*37,93,000*	5,75,78,000
23	Ministry of Education	25,63,000	..	25,63,000
24	Archaeology . . .	40,39,000	..	40,39,000
25	Other Scientific Departments	1,15,10,000	..	1,15,10,000
26	Education . . .	10,77,75,000	..	10,77,75,000
27	Miscellaneous Departments and Expenditure under the Ministry of Education .	80,71,000	..	80,71,000
28	Tribal Areas	2,42,51,000	..	2,42,51,000
29	External Affairs .	3,46,03,000	..	3,46,03,000
30	State of Pondicherry . .	1,37,64,000	*7,000*	1,37,71,000
31	Miscellaneous Expenditure under the Ministry of External Affairs . . .	1,50,000	..	1,50,000
32	Ministry of Finance . .	64,56,000	..	64,56,000
33	Customs	1,67,97,000	..	1,67,97,000
34	Union Excise Duties .	3,09,94,000	*7,98,72,000*	11,08,66,000
35	Taxes on Income including Corporation Tax and Estate Duty	1,95,33,000	..	1,95,33,000
36	Opium	1,89,82,000	..	1,89,82,000
37	Stamps	69,47,000	*2,95,000*	72,42,000
38	Audit	3,88,33,000	*8,26,000*	3,96,59,000
39	Currency	1,49,57,000	*3,95,000*	1,53,52,000
40	Mint	1,16,32,000	..	1,16,32,000
41	Territorial and Political Pensions	11,65,000	..	11,65,000
42	Superannuation Allowances and Pensions	1,58,00,000	*15,50,000*	1,73,50,000
43	Miscellaneous Departments and other Expenditure under the Ministry of Finance . .	10,60,21,000	*1,000*	10,60,22,000

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
44	Planning Commission .	68,69,000	.	68,69,000
45	Grants-in-aid to States		*12,58,33,000*	12,58,33,000
46	Miscellaneous Adjustments between the Union and State Governments . . .	2,54,000	..	2,54,000
47	Pre-partition Payments . .	28,67,000	*50,000*	29,17,000
	CHARGED—Interest on Debt and other obligations and reduction or avoidance of Debt .	..	*49,72,11,000*	49,72,11,000
48	Ministry of Food . . .	8,25,000	..	8,25,000
49	Miscellaneous Departments and other Expenditure under the Ministry of Food . .	1,60,70,000		1,60,70,000
50	Ministry of Health . . .	5,47,000	.	5,47,000
51	Medical Services . .	1,61,74,000		1,61,74,000
52	Public Health . . .	3,82,35,000		3,82,35,000
53	Miscellaneous Expenditure under the Ministry of Health .	43,25,000		43,25,000
54	Ministry of Heavy Industries	5,86,000		5,86,000
55	Heavy Industries . . .	22,44,49,000	..	22,44,49,000
56	Miscellaneous Expenditure under the Ministry of Heavy Industries	3,90,000	..	3,90,000
57	Ministry of Home Affairs .	1,09,87,000	..	1,09,87,000
58	Cabinet	15,23,000		15,23,000
59	Zonal Councils . .	1,88,000	..	1,88,000
60	Police	1,86,43,000	..	1,86,43,000
61	Census	3,54,000	..	3,54,000
62	Privy Purses and Allowances of Indian Rulers . .	2,55,000	*2,74,69,000*	2,77,24,000
63	Delhi	2,92,34,000	..	2,92,34,000
64	Himachal Pradesh . . .	1,94,72,000	*75,000*	1,95,47,000
65	Andaman and Nicobar Islands .	1,14,28,000	..	1,14,28,000
66	Manipur	61,47,000	..	61,47,000

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
67	Tripura	99,28,000	18,000	99,46,000
68	Laccadive, Minicoy and Amindivi Islands	6,10,000	..	6,10,000
69	Miscellaneous Departments and Expenditure under the Ministry of Home Affairs	3,90,74,000	..	3,90,74,000
70	Ministry of Information and Broadcasting	5,50,000	..	5,50,000
71	Broadcasting	1,58,29,000	..	1,58,29,000
72	Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting	1,44,60,000		1,44,60,000
73	Ministry of Iron and Steel	5,71,000	..	5,71,000
74	Ministry of Irrigation and Power	7,24,000	..	7,24,000
75	Multi-purpose River Schemes	66,80,000	..	66,80,000
76	Miscellaneous Departments and Expenditure under the Ministry of Irrigation and Power	40,87,000	..	40,87,000
77	Ministry of Labour	7,06,000	..	7,06,000
78	Chief Inspector of Mines	9,93,000	..	9,93,000
79	Miscellaneous Departments and other Expenditure under the Ministry of Labour	3,61,07,000	..	3,61,07,000
80	Ministry of Law	71,82,000	..	71,82,000
81	Administration of Justice	99,000	5,25,000	6,24,000
82	Miscellaneous Expenditure under the Ministry of Law	2,60,000	..	2,60,000
83	Ministry of Natural Resources and Scientific Research	6,08,000	..	6,08,000
84	Survey of India	68,69,000	..	68,69,000
85	Botanical Survey	4,45,000	..	4,45,000
86	Zoological Survey	4,27,000	..	4,27,000
87	Geological Survey	39,73,000	..	39,73,000

	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
88	Mines	20,26,000		20,26,000
89	Scientific Research	1,48,41,000		1,48,41,000
90	Exploration of Oil and Natural Gas	1,07,36,000		1,07,36,000
91	Miscellaneous Expenditure under the Ministry of Natural Resources and Scientific Research	76,000		76,000
92	Ministry of Production	7,25,000	.	7,25,000
93	Salt and other Organisations of the Ministry of Production	3,51,72,000	*1,72,000*	3,53,44,000
94	Miscellaneous Departments and Expenditure under the Ministry of Production	1,02,67,000	.	1,02,67,000
95	Ministry of Rehabilitation	18,23,000	..	18,23,000
96	Expenditure on Displaced Persons	9,37,61,000	..	9,37,61,000
97	Ministry of Transport	22,47,000	..	22,47,000
98	Ports and Pilotage	26,32,000	..	26,32,000
99	Lighthouses and Lightships	57,73,000	..	57,73,000
100	Central Road Fund	1,78,41,000	..	1,78,41,000
101	Communications (including National Highways.)	2,38,62,000	..	2,38,62,000
102	Miscellaneous Departments and Expenditure under the Ministry of Transport	17,07,000	..	17,07,000
103	Ministry of Works, Housing and Supply	23,34,000	..	23,34,000
104	Supplies	1,08,81,000	..	1,08,81,000
105	Other Civil Works	8,61,05,000	*13,97,000*	8,75,02,000
106	Stationery and Printing	2,87,40,000	..	2,87,40,000
107	Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply]	37,84,000	..	37,84,000
108	Department of Atomic Energy	3,63,000	..	3,63,000

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
109	Atomic Energy Research . .	1,29,17,000	..	1,29,17,000
110	Department of Parliamentary Affairs . . .	79,000	..	79,000
111	Lok Sabha	40,23,000	*22,000*	40,45,000
112	Miscellaneous Expenditure under the Lok Sabha . .	34,000	..	34,000
113	Rajya Sabha	12,27,000	*25,000*	12,52,000
	CHARGED.—*Staff, Household and Allowances of the President*	..	*7,66,000*	7,66,000
114	Secretariat of the Vice- President	26,000	..	26,000
	CHARGED.—*Union Public Service Commission*	..	*15,30,000*	15,30,000
115	Capital Outlay on Forests .	7,63,000	..	7,63,000
116	Other Capital Outlay of the Ministry of Agriculture. .	13,08,67,000	..	13,08,67,000
117	Capital Outlay of the Ministry of Commerce and Consumer Industries	3,78,55,000	..	3,78,55,000
118	Capital Outlay on Posts and Telegraphs (not met from Revenue)	10,32,27,000	..	10,32,27,000
119	Capital Outlay on Civil Aviation	1,19,84,000	..	1,19,84,000
120	Other Capital Outlay of the Ministry of Communications .	3,19,55,000		3,19,55,000
121	Capital Outlay of the Ministry of Community Development .	69,79,000	..	69,79,000
122	Defence Capital Outlay .	10,41,67,000	..	10,41,67,000
123	Capital Outlay of the Ministry of Education	16,40,000	..	16,40,000
124	Capital Outlay of the Ministry of External Affairs . . .	12,50,000	..	12,50,000
125	Capital Outlay on the India Security Press	3,17,000	..	3,17,000
126	Capital Outlay on Currency and Coinage	1,11,17,000	..	1,11,17,000

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
127	Capital Outlay on Mints	30,00,000	..	30,00,000
128	Commuted Value of Pensions	17,73,000	42,000	18,15,000
129	Payment to Retrenched Personnel	10,000	..	10,000
130	Other Capital Outlay of the Ministry of Finance	37,43,96,000	..	37,43,96,000
131	Loans and Advances by the Central Government	16,66,62,000	60,00,00,000	76,66,62,000
	CHARGED—*Repayment of Debt*	..	14,68,41,38,000	14,68,41,38,000
132	Purchase of Foodgrains	67,06,36,000		67,06,36,000
133	Other Capital Outlay of the Ministry of Food	1,53,74,000	..	1,53,74,000
134	Capital Outlay of the Ministry of Health	4,21,20,000	..	4,21,20,000
135	Capital Outlay of the Ministry of Heavy Industries	1,13,39,000		1,13,39,000
136	Capital Outlay of the Ministry of Home Affairs	92,87,000		92,87,000
137	Capital Outlay on Broadcasting	1,41,66,000	..	1,41,66,000
138	Capital Outlay of the Ministry of Iron and Steel	65,76,25,000	.	65,76,25,000
139	Capital Outlay on Multi-purpose River Schemes	1,55,44,000	..	1,55,44,000
140	Other Capital Outlay of the Ministry of Irrigation and Power	39,53,000	.	39,53,000
141	Capital Outlay of the Ministry of Labour	14,26,000	..	14,26,000
142	Capital Outlay of the Ministry of Natural Resources and Scientific Research	2,20,19,000	..	2,20,19,000
143	Capital Outlay of the Ministry of Production	3,82,89,000	..	3,82,89,000
144	Capital Outlay of the Ministry of Rehabilitation	10,00,00,000	..	10,00,00,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
145	Capital Outlay on Ports . . .	2,22,92,000	..	2,22,92,000
146	Capital Outlay on Roads . .	6,04,17,000	..	6,04,17,000
147	Other Capital Outlay of the Ministry of Transport . .	1,47,08,000	..	1,47,08,000
148	Delhi Capital Outlay . . .	3,05,50,000	*2,18,000*	3,07,68,000
149	Capital Outlay on Buildings . .	1,91,13,000	*1,19,000*	1,92,32,000
150	Other Capital Outlay of the Ministry of Works, Housing and Supply .	89,90,000	.	89,90,000
151	Capital Outlay of the Department of Atomic Energy . . .	3,75,00,000	..	3,75,00,000
	GRAND TOTAL . .	5,83,60,68,000	*16,03,82,73,000*	21,87,43,41,000

STATEMENT OF OBJECTS AND REASONS

This Bill is introduced in pursuance of Article 114 (1) of the Constitution of India, read with Article 116 thereof, to provide for the appropriation out of the Consolidated Fund of India of the moneys required to meet the expenditure charged on the Consolidated Fund and the grants made in advance by the Lok Sabha in respect of the estimated expenditure of the Central Government, excluding Railways, for a part of the financial year 1957-58.

T. T. KRISHNAMACHARI.

NEW DELHI;
The 20th March, 1957.

LOK SABHA

A

BILL

to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the service of a part of the financial year 1957-58.

The President has, in pursuance of clauses (1) and (3) of Article 117 of the Constitution of India, recommended to Lok Sabha the introduction and consideration of the Bill.

M. N. KAUL,
Secretary.

(*Shri T. T. Krishnamachari,*
Minister of Finance.)

THE APPROPRIATION (VOTE ON ACCOUNT) BILL, 1957

(AS PASSED BY THE HOUSES OF PARLIAMENT)

A

BILL

to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the service of a part of the financial year 1957-58.

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows :—

1. Short title.—This Act may be called the Appropriation (Vote on Account) Act, 1957.

2. Withdrawal of Rs. 21,87,43,41,000 from and out of the Consolidated Fund of India for the financial year 1957-58.—From and out of the Consolidated Fund of India there may be withdrawn sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of twenty-one hundred and eighty-seven crores, forty-three lakhs and forty-one thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1957-58.

3. Appropriation.—The sums authorised to be withdrawn from and out of the Consolidated Fund by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(*See* sections 2 and 3)

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Ministry of Agriculture . . .	24,92,000	..	24,92,000
2	Forest	86,26,000	..	86,26,000
3	Agriculture	6,72,94,000	..	6,72,94,000
4	Civil Veterinary Services	60,15,000	..	60,15,000
5	Miscellaneous Departments and other Expenditure under the Ministry of Agriculture	1,19,63,000	..	1,19,63,000
6	Ministry of Commerce and Consumer Industries	10,87,000	..	10,87,000
7	Consumer Industries	6,33,50,000	..	6,33,50,000
8	Commercial Intelligence and Statistics .	34,50,000	..	34,50,000
9	Miscellaneous Departments and other Expenditure under the Ministry of Commerce and Consumer Industries .	55,97,000	..	55,97,000
10	Ministry of Communications	7,40,000	..	7,40,000
11	Indian Posts and Telegraphs Department	24,33,33,000	*1,16,22,000*	25,49,55,000
12	Meteorology	63,45,000	..	63,45,000
13	Overseas Communications Service . .	47,86,000	*2,80,000*	50,66,000
14	Aviation	1,48,39,000	*22,000*	1,48,61,000
15	Miscellaneous Departments and Expenditure under the Ministry of Communications	7,06,000	..	7,06,000
16	Ministry of Community Development .	8,65,000	..	8,65,000
17	Community Development Projects and National Extension Service . . .	5,12,86,000	..	5,12,86,00
18	Ministry of Defence	14,78,000	..	14,78,000
19	Defence Services—Effective—Army . .	71,82,62,000	..	71,82,62,000
20	Defence Services—Effective—Navy . .	6,67,25,000	..	6,67,25,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
21	Defence Services—Effective —Air Force	29,08,95,000	..	29,08,95,000
22	Defence Services—Non-Effective Charges	5,37,85,000	*37,93,000*	5,75,78,000
23	Ministry of Education . . .	25,63,000	..	25,63,000
24	Archaeology	40,39,000	..	40,39,000
25	Other Scientific Departments . .	1,15,10,000	..	1,15,10,000
26	Education	10,77,75,000	..	10,77,75,000
27	Miscellaneous Departments and Expenditure under the Ministry of Education	80,71,000	..	80,71,000
28	Tribal Areas	2,42,51,000	..	2,42,51,000
29	External Affairs	3,46,03,000	..	3,46,03,000
30	State of Pondicherry . . .	1,37,64,000	*7,000*	1,37,71,000
31	Miscellaneous Expenditure under the Ministry of External Affairs .	1,50,000	..	1,50,000
32	Ministry of Finance . . .	64,56,000	..	64,56,000
33	Customs	1,67,97,000	..	1,67,97,000
34	Union Excise Duties . . .	3,09,94,000	*7,98,72,000*	11,08,66,000
35	Taxes on Income including Corporation Tax and Estate Duty .	1,95,33,000	..	1,95,33,000
36	Opium	1,89,82,000	..	1,89,82,000
37	Stamps	69,47,000	*2,95,000*	72,42,000
38	Audit	3,88,33,000	*8,26,000*	3,96,59,000
39	Currency	1,49,57,000	*3,95,000*	1,53,52,000
40	Mint	1,16,32,000	..	1,16,32,000
41	Territorial and Political Pensions .	11,65,000	..	11,65,000
42	Superannuation Allowances and Pensions	1,58,00,000	*15,50,000*	1,73,50,000
43	Miscellaneous Departments and other Expenditure under the Ministry of Finance . . .	10,60,21,000	*1,000*	10,60,22,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
44	Planning Commission	68,59,000	..	68,59,000
45	Grants-in-aid to States	..	*12,58,33,000*	12,58,33,000
46	Miscellaneous Adjustments between the Union and State Governments	2,54,000	..	2,54,000
47	Pre-partition Payments	28,67,000	*50,000*	29,17,000
	CHARGED.—*Interest on Debt and other obligations and reduction or avoidance of Debt*	..	*49,72,11,000*	49,72,11,000
48	Ministry of Food	8,25,000	..	8,25,000
49	Miscellaneous Departments and other Expenditure under the Ministry of Food	1,60,70,000	..	1,60,70,000
50	Ministry of Health	5,47,000	..	5,47,000
51	Medical Services	1,61,74,000	..	1,61,74,000
52	Public Health	3,82,35,000	..	3,82,35,000
53	Miscellaneous Expenditure under the Ministry of Health	43,25,000	.	43,25,000
54	Ministry of Heavy Industries	5,86,000	..	5,86,000
55	Heavy Industries	22,44,49,000	..	22,44,49,000
56	Miscellaneous Expenditure under the Ministry of Heavy Industries	3,90,000	..	3,90,000
57	Ministry of Home Affairs	1,09,87,000	..	1,09,87,000
58	Cabinet	15,23,000	..	15,23,000
59	Zonal Councils	1,88,000	..	1,88,000
60	Police	1,86,43,000	..	1,86,43,000
61	Census	3,54,000	..	3,54,000
62	Privy Purses and Allowances of Indian Rulers	2,55,000	*2,74,69,000*	2,77,24,000
63	Delhi	2,92,34,000	..	2,92,34,000
64	Himachal Pradesh	1,94,72,000	*75,000*	1,95,47,000
65	Andaman and Nicobar Islands	1,14,28,000	..	1,14,28,000
66	Manipur	61,47,000	..	61,47,000

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
67	Tripura	99,28,000	*18,000*	99,46,000
68	Laccadive, Minicoy and Amindivi Islands	6,10,000	..	6,10,000
69	Miscellaneous Departments and Expenditure under the Ministry of Home Affairs	3,90,74,000	..	3,90,74,000
70	Ministry of Information and Broadcasting	5,50,000	.	5,50,000
71	Broadcasting . . .	1,58,29,000	..	1,58,29,000
72	Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting	1,44,60,000	..	1,44,60,000
73	Ministry of Iron and Steel . .	5,71,000	..	5,71,000
74	Ministry of Irrigation and Power .	7,24,000	..	7,24,000
75	Multi-purpose River Schemes .	66,80,000	..	66,80,000
76	Miscellaneous Departments and Expenditure under the Ministry of Irrigation and Power . .	40,87,000	.	40,87,000
77	Ministry of Labour . . .	7,06,000	..	7,06,000
78	Chief Inspector of Mines .	9,93,000	..	9,93,000
79	Miscellaneous Departments and other Expenditure under the Ministry of Labour . . .	3,61,07,000		3,61,07,000
80	Ministry of Law	71,82,000	..	71,82,000
81	Administration of Justice . .	99,000	*5,25,000*	6,24,000
82	Miscellaneous Expenditure under the Ministry of Law . .	2,60,000	..	260,000
83	Ministry of Natural Resources and Scientific Research . . .	6,08,000	..	6,08,000
84	Survey of India	68,69,000	..	68,69,000
85	Botanical Survey . . .	4,45,000	..	4,45,000
86	Zoological Survey . . .	4,27,000	..	4,27,000
87	Geological Survey . . .	39,73,000	...	39,73,000

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
88	Mines	20,26,000	..	20,26,000
89	Scientific Research . . .	1,48,41,000	..	1,48,41,000
90	Exploration of Oil and Natural Gas	1,07,36,000	.	1,07,36000
91	Miscellaneous Expenditure under the Ministry of Natural Resources and Scientific Research . . .	76,000	..	76,000
92	Ministry of Production . . .	7,25,000	..	7,25,000
93	Salt and other Organisations of the Ministry of Production . .	3,51,72,000	*1,72,000*	3,53,44,000
94	Miscellaneous Departments and Expenditure under the Ministry of Production	1,02,67,000	..	1,02,67,000
95	Ministry of Rehabilitation . .	18,23,000	..	18,23,000
96	Expenditure on Displaced Persons .	9,37,61,000	..	9,37,61,000
97	Ministry of Transport . . .	22,47,000	..	22,47,000
98	Ports and Pilotage . . .	26,32,000	..	26,32,000
99	Lighthouses and Lightships . .	57,73,000	..	57,73,000
100	Central Road Fund	1,78,41,000	..	1,78,41,000
101	Communications (including National Highways.)	2,38,62,000	..	2,38,62,000
102	Miscellaneous Departments and Expenditure under the Ministry of Transport	17,07,000	..	17,07,000
103	Ministry of Works, Housing and Supply	23,34,000	..	23,34,000
104	Supplies	1,08,81,000	..	1,08,81,000
105	Other Civil Works . . .	8,61,05,000	*13,97,000*	8,75,02,000
106	Stationery and Printing . .	2,87,40,000	..	2,87,40,000
107	Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply .	37,84,000	..	37,84,000
108	Department of Atomic Energy .	3,63,000	..	3,63,000

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
109	Atomic Energy Research	1,29,17,000	..	1,29,17,000
110	Department of Parliamentary Affairs	79,000	..	79,000
111	Lok Sabha	40,23,000	*22,000*	40,45,000
112	Miscellaneous Expenditure under the Lok Sabha	34,000	..	34,000
113	Rajya Sabha	12,27,000	*25,000*	12,52,000
	CHARGED.—*Staff, Household and Allowances of the President*	..	*7,66,000*	7,66,000
114	Secretariat of the Vice-President	26,000	..	26,000
	CHARGED.—*Union Public Service Commission*	..	*15,30,000*	15,30,000
115	Capital Outlay on Forests	7,63,000	..	7,63,000
116	Other Capital Outlay of the Ministry of Agriculture	13,08,67,000	..	13,08,67,000
117	Capital Outlay of the Ministry of Commerce and Consumer Industries	3,78,55,000	..	3,78,55,000
118	Capital Outlay on Posts and Telegraphs (not met from Revenue)	10,32,27,000	..	10,32,27,000
119	Capital Outlay on Civil Aviation	1,19,84,000	..	1,19,84,000
120	Other Capital Outlay of the Ministry of Communications	3,19,55,000	..	3,19,55,000
121	Capital Outlay of the Ministry of Community Development	69,79,000	..	69,79,000
122	Defence Capital Outlay	10,41,67,000	..	10,41,67,000
123	Capital Outlay of the Ministry of Education	16,40,000	..	16,40,000
124	Capital Outlay of the Ministry of External Affairs	12,50,000	..	12,50,000
125	Capital Outlay on the India Security Press	3,17,000	..	3,17,000
126	Capital Outlay on Currency and Coinage	1,11,17,000	..	1,11,17,000

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
127	Capital Outlay on Mints . .	30,00,000	..	30,00,000
128	Commuted Value of Pensions . .	17,73,000	*42,000*	18,15,000
129	Payment to Retrenched Personnel .	10,000	..	10,000
130	Other Capital Outlay of the Ministry of Finance	37,43,96,000	..	37,43,96,000
131	Loans and Advances by the Central Government	16,66,62,000	*60,00,00,000*	76,66,62,000
	CHARGED.—*Repayment of debt* .	..	*14,68,41,38,000*	14,68,41,38,000
132	Purchase of Foodgrains . .	67,06,36,000	..	67,06,36,000
133	Other Capital Outlay of the Ministry of Food	1,53,74,000	..	1,53,74,000
134	Capital Outlay of the Ministry of Health	4,21,20,000	..	4,21,20,000
135	Capital Outlay of the Ministry of Heavy Industries	1,13,39,000	..	1,13,39,000
136	Capital Outlay of the Ministry of Home Affairs	92,87,000	..	92,87,000
137	Capital Outlay on Broadcasting .	1,41,66,000	..	1,41,66,000
138	Capital Outlay of the Ministry of Iron and Steel	65,76,25,000	..	65,76,25,000
139	Capital Outlay on Multi-purpose River Schemes	1,55,44,000	..	1,55,44,000
140	Other Capital Outlay of the Ministry of Irrigation and Power . .	39,53,000	..	39,53,000
141	Capital Outlay of the Ministry of Labour	14,26,000	..	14,26,000
142	Capital Outlay of the Ministry of Natural Resources and Scientific Research	2,20,19,000	..	2,20,19,000
143	Capital Outlay of the Ministry of Production	3,82,89,000	..	3,82,89,000
144	Capital Outlay of the Ministry of Rehabilitation	10,00,00,000	..	10,00,00,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
145	Capital Outlay on Ports . . .	2,22,92,000	..	2,22,92,000
146	Capital Outlay on Roads . .	6,04,17,000	..	6,04,17,000
147	Other Capital Outlay of the Ministry of Transport	1,47,08,000	..	1,47,08,000
148	Delhi Capital Outlay . .	3,05,50,000	*2,18,000*	3,07,68,000
149	Capital Outlay on Buildings . .	1,91,13,000	*1,19,000*	1,92,32,000
150	Other Capital Outlay of the Ministry of Works, Housing and Supply	89,90,000	..	89,90,000
151	Capital Outlay of the Department of Atomic Energy . . .	3,75,00,000	..	3,75,00,000
	GRAND TOTAL . .	5,83,60,68,000	*16,03,82,73,000*	21,87,43,41,000

A

BILL

to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the service of a part of the financial year 1957-58.

(As passed by the Houses of Parliament)

THE FINANCE BILL, 1957

(AS INTRODUCED IN LOK SABHA)

A

BILL

to continue for the financial year 1957-58 the existing rates of income-tax and super-tax other than super-tax on companies for which provision is made in section 8 of the Finance (No. 3) Act, 1956, and the existing additional duties of customs and excise, and to provide for the continuance of certain commitments under the General Agreement on Tariffs and Trade and the discontinuance of the duty on salt for the said year.

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows :—

1. *Short title.*—This Act may be called the Finance Act, 1957.

2. *Income-tax and Super-tax.*—The provisions of section 2 of, and the First Schedule to, the Finance Act, 1956, (18 of 1956), shall be apply in relation to income-tax and super tax for the financial year 1957-58 as they apply in relation to income-tax and super-tax for the financial year 1956-57, with the modification that—

(*i*) in section 2, for the figures "1955", "1956", and "1957", wherever they occur, the figures "1956", "1957" and "1958" shall respectively be substituted ;

(*ii*) the rates of super-tax on companies shall be regulated by section 8 of the Finance (No. 3) Act, 1956, (77 of 1956) and not by Paragraph D of Part II of the First Schedule above referred to.

3. *Omission of Section 36.*—In the Indian Income-tax Act, 1922, (11 of 1922, section 36 shall be omitted.

4. *Amendment of Sections 4 and 5.* In the Indian Tariff (Amendment) Act, 1949, (1 of 1949), in sections 4 and5, for the figures "1957", the figures "1958" shall be substituted.

5. *Additional duties of customs and excise.*—The provisions of sections 31 and 37 of, and the Third and Fourth Schedules to, the Finance Act, 1956, (18 of 1956), shall continue in force up to the 31st day of March, 1958, and accordingly in each of the said sections, for the figures "1957", the figures "1958" shall be substituted.

6. *Discontinuance of salt duty*—For the year beginning on the 1st day of April, 1957, no duty under the Central Excises and Salt Act, 1944, (1 of 1944) or the Indian Tariff Act, 1934, (32 of 1934), shall be levied in respect of salt manufactured in, or imported into, India.

STATEMENT OF OBJECTS AND REASONS

Government do not at present intend to make any changes in the existing tax structure in relation to the next financial year. The object of this Bill is to ensure the levy of income-tax and super-tax and the additional duties of customs and excise for that year at the rates at which they are now being levied under the Finance Act, 1956, subject to the modification that the rates of super-tax on companies shall be as laid down in the Finance (No. 3) Act, 1956.

2. Clause 2 continues the existing rates of income-tax and super-tax other than super-tax on companies which will be regulated by the Finance (No. 3) Act, 1956.

3. Clause 3 omits section 36 of the Indian Income-tax Act, 1922, which deals with the rounding off of fractions of an anna, as the matter will be regulated on and from the 1st of April, 1957, by section 14 of the Indian Coinage Act, 1906.

4. Clause 4 seeks to maintain for another year the *status quo* in regard to commitments under the General Agreement on Tariffs and Trade.

5. Clause 5 will have the effect of continuing for another year the existing additional duties of customs and excise on certain goods chargeable to duty under the First Schedule to the Indian Tariff Act, 1934, or the Central Excises and Salt Act, 1944.

6. Clause 6, like section 38 of the Finance Act, 1956, provides that salt shall be duty-free for another year.

NEW DELHI; T. T. KRISHNAMACHARI.

The 19*th March*, 1957.

LOK SABHA

A

BILL

to continue for the financial year 1957-58 the existing rates of income-tax and super-tax, other than super-tax on companies for which provision is made in section 8 of the Finance (No. 3) Act, 1956, and the existing additional duties of customs and excise, and to provide for the continuance of certain commitments under the General Agreement on Tariffs and Trade and the discontinuance of the duty on salt for the said year.

The President has, in pursuance of clauses (1) and (3) of article 117 and clause (1) of article 274 of the Constitution of India recommended to Lok Sabha, the introduction and consideration of the Bill.

M. N. KAUL,

Secretary.

(*Shri T.T. Krishnamachari,*

Minister for Finance).

Speech by the Finance Minister on introducing the Budget proposal for 1957-58 on 15th May, 1957.

Sir,

In March last I presented to the predecessor of this House an interim budget for the year 1957-58 in order to obtain a vote on account to meet Government's expenditure until the new Parliament assembled. The expenditure estimates I am presenting today are more or less the same as the ones I presented in March. They have, however, been reclassified in terms of the reorganised Ministries, and there are a few new items to which I shall refer in the course of my speech.

2. A White Paper reviewing the major economic developments in the economy during 1956 and outlining the perspective against which policies for the current year have to be formulated was circulated along with the Budget papers in March last. Copies of that White Paper are being made available to Hon. Members. The broad analysis of economic trends given in the White Paper needs little modification in the light of subsequent data. I shall, however, review briefly the latest available economic indicators and attempt an assessment of emergent and prospective trends.

3. Before I do so, I would say that the economic classification of the budget as it is now being presented will be issued in 2 or 3 days' time. We attempted this reclassification for the first time in March last, and we propose to continue the practice. But, the document will have to released after the short time-interval needed for working into the tables the proposals I am now placing before the House today.

Prices

4. The White Paper of March last gave an analysis of the factors responsible for the upward pressure on prices during 1956. In recent months, the index of wholesale prices has remained stable around 420. For the week ending April 27, it was 423·5, which is a rise of 8·5 per cent over the level a year ago. Rice prices are now at 633 and wheat prices at 581; they are 14·1 per cent and 16·4 per cent respectively above the level that obtained a year ago. Prices of industrial raw materials have risen by 9 per cent during the year, of semi-manufactures by 5·3 per cent and of manufactures by 2·4 per cent. The rising price trend is due in part to the insufficiency of food production in relation to the demand, and in part it is attributable to certain external factors. There are, however, clear signs of demands in the economy tending to outstrip the supplies available. If unchecked, these trends cannot but get reflected in further increases in the cost of living and in the cost structure of industries.

Production

5. The latest available estimates of agricultural production indicate that the fall in production in 1955-56 was somewhat smaller than had been estimated earlier. The output of rice is now estimated at 26·8 million tons, as compared to the earlier estimate of 25·5 million tons, and the estimate for the total foodgrains output for the year has now been revised upwards from 63·4 million tons to 64·8 million tons. Even so, the year shows a shortfall of some 4 million tons as compared to 1953-54

and some 2 million tons as compared to 1954-55. The decline in foodgrains output in 1955-56 was mainly in respect of coarse grains, while the output of rice was higher and that of wheat only slightly lower than in the previous year.

6. The output of commercial crops shows no significant change relatively to the estimates given in the White Paper issued in March. The over all index of agricultural production, taking food crops and commercial crops together, would still show a fall about 2 per cent in 1955-56 as compared to 1954-55.

7. The estimates of the likely level of agricultural production in 1956-57 indicate that the outturn should, on the whole, be somewhat better than the previous years. The production of rice is expected to be around 28 millions tons, that is, about 1·2 million tons better than in 1955-56, and of wheat about 8·6 million tons as compared to 8·3 million tons in 1955-56. The output of coarse grains and pulses is estimated at about the same level as in 1955-56. Among commercial crops, latest reports indicate that the production of cotton has increased by 20 per cent, groundnut by 6 per cent and sugarcane by about 17 per cent. Nevertheless, reports on the food situation in recent weeks indicate difficult conditions in some of the States. I would not like to minimise the gravity of the situation as it obtains in these pockets. But statistically, it does seem that if at all there is an overall shortage, it is of a marginal character. With the arrangements that have been made for the import of foodgrains from abroad to meet out normal needs and with the availability of additional supplies under the P.L. 480 agreement, it should be possible to ensure adequate supplies to enable us to hold the price line. I would however concede that the situation will need careful watching and the apparatus necessary to deal with the situation as it develops from time to time would have to be kept in readiness.

8. Industrial production has continued to rise at an annual rate of about 8 per cent, the newer industries, both in the capital goods and in the consumer goods sector advancing more rapidly than the older industries. The pace at which industrial development has been proceeding is encouraging. In that process, it generates heavy demands on our foreign exchange resources for import of capital goods as well as raw materials. The immediate difficulties in respect of foreign exchange notwithstanding, it would be reasonable to hope that the rate of progress in the industrial sector will be maintained.

9. The overall position that emerges from the review of production trends so far is that the supply of domestic goods and services has, on the whole, shown only a modest improvement over the previous year, and that the rise in prices during the year reflects the pressure of a shortage in supplies relatively to the strength of the expansionary factors in the economy generated by the rising levels of both public and private investment.

Monetary Factors

10. Considered by itself, the increase in money supply over the last 12 months or so is not very large. Between the 13th April 1956, and the 12th April this year, it increased by about Rs. 132 crores. This increase, it must however be remembered, occurred in spite of the large balance of payments deficit which resulted in a precipitous fall in the Reserve Bank's foreign exchange holdings. The increase in rupee securities held by the Reserve Bank works out at Rs. 273 crores over the past twelve months.

This is, clearly, an expansionary factor which reflects, in the main, the growing borrowings of Government from the Reserve Bank; in part, it arises from the pressure on commercial banks to replenish their resources by selling securities. Scheduled bank lending to the private sector was up by Rs. 147 crores during the year. The liquidity of the banks has in the process been strained and money rates have hardened. Stringency in the money market has continued. This stringency is a usual accompaniment of a phase of economic boom when investment tends to outtrun savings; it is not an indication of an insufficiency of the monetary media. An abatement of monetary stringency has at this stage to be sought not through a general increase in the supply of credit but through measures to prevent an excessive diversion of credit to less essential uses and through the creation of special institutions or facilities for supplying selectively the type of credit needed for priority developments.

Foreign Exchange

11. The major problem before the country is the large and continuing strain on foreign exchange resources. Since the beginning of the fiscal year, 1956-57, there has been a persistent pressure on the balance of payments resulting in a draft on the country's foreign exchange resources of about Rs. 300 crores. Since, during this period, a credit of Rs. 60·7 crores was obtained from the International Monetary Fund, the fall in the Reserve Bank's holdings amounted to about Rs. 240 crores.

12. The balance of payments for the first quarter of 1956-57 showed a current account deficit of Rs. 44·5 crores; the deficit widened to Rs. 81·4 crores in the second quarter. For the third quarter for which data are now available, there was a further increase in the deficit which worked out at Rs. 84·8 crores. Excluding 'official donations' which enter into the current account, the deficits for the three quarters were Rs. 54·1 crores, Rs. 89·9 crores and Rs. 92·4 crores. Since January, 1957, further foreign exchange resources of the order of Rs. 86 crores have been used up. The foreign assets of the Reserve Bank now stand a little below Rs. 500 crores. Despite the measures alreardy taken to restrict imports, there is no indication yet of an abatement in the rate of drawals which averages Rs. 5 to 6 crores a week. This embarrassing 'lag' notwithstanding, the steps we have already taken and the further steps we shall take as necessary will, it is believed, begin to produce their effect before long.

13. On a rough estimate, imports for the year, 1956-57 will aggregate to over Rs. 1000 crores, while exports will be around Rs. 650 crores. The bulk of the additional imports received during the year is for developmental purposes and should help strengthen the economy in due course. It is, however, obvious that foreign exchange expenditure has to be limited to the availability of resources, and the present imbalance in the country's external account rectified. The various corrective measures adopted during the year were reviewed in the March White Paper; further action in the same direction which is necessary will, as I have just said, be taken.

14. There is hardly any cushion left in our foreign exchange reserves to permit a further significant draft on them. The level of imports hereafter has necessarily to be regulated in the light of our current earnings and the inflow of supplemental resources we can secure from abroad and should be closely related to essential requirements of the high priority projects in the Plan. The import policy for the second half of 1957-58 is being formulated with the objective of securing a further sizeable saving on imports. The large volume of imports of capital goods and of

developmental commodities that has already come in should make it possible for investment within the economy to go forward for a time at a satisfactory rate and care will be taken to allow such imports as are necessary for getting the benefit of whatever equipment has been obtained and for maintaining production at a reasonable level. It would, however, be idle to pretend that all hardship can be avoided. The exigencies of the situation require that a balance on external account must be restored as early as possible, and the necessary price has to be paid.

15. An improvement in the balance of payments situation is, I should add, largely conditional upon the adoption of domestic policies designed to hold inflationary pressures in check. An excess of purchasing power within the economy raises internal prices; it also reduces the availability of supplies for export and pushes up the demand for imports. It is, therefore, necessary to orient fiscal and monetary policies to the keeping down of domestic consumption and to the diversion of a part of the domestic output to export markets I may mention in this connection that the exports of cotton textiles in the first three months of 1957 have reached a total of 260 million yards, which gives an annual rate of over 1,000 million yards. The increase in excise duty on cloth in September last has it seems succeded in one of its objectives without raising prices in the process. We should constantly be on the watch for similar opportunities to enlarge our foreign exchange earnings.

16. After this broad review of the latest economic trends, I should now like to give an account of the budget estimates for 1957-58.

17. In the estimates presented on the 19th March, 1957, revenue was taken at Rs. 636·22 crores and expenditure at Rs. 663·09 crores, leaving a deficit, on revenue account, of Rs. 26·87 crores. As a result of certain modifications which have since been found to be necessary, revenue deficit, on the basis of existing taxation, is now estimated to increase by Rs. 6·25 crores. This is as a result of a reduction of Rs. 1·25 crores in the net contribution of the Posts and Telegraphs Department to General Revenues and an increase in expenditure of Rs. 5 crores.

18. The reduction in the Posts and Telegraphs contribution is due to an additional provision of Rs. 1·25 crores for the Renewals Reserve Fund. A broad examination has revealed that the provision made in recent years for depreciation and replacement of assets has been very inadequate and that at least 2·75 per cent of the capital at charge should be provided as a depreciation reserve. Provision made this year amounts to Rs. 1·25 crores which represents only 1·25 per cent on the capital at charge of about Rs. 100 crores. Pending a detailed examination, the provision is now being doubled for the current year.

19. The increase in expenditure is accounted for by three items. The First is a provision of Rs. 3·12 crores for grants to the Khadi and Village Industries Commission for development of Ambar Charkha. A programme for the introduction of 75,000 Ambar Charkhas was started last year. The results of this programme have been reviewed recently and it has been decided to continue and expand it further during 1957-58. For the present, the expanded programme provides for the introduction of an additional 90,000 Ambar Charkhas. The total cost of this programme, during the current year, is estimated at Rs. 10·09 crores of which Rs. 3·12 crores will be by way of grants and the balance by way of loans to the Commission.

20. The second item is a grant of Rs. 1·55 crores to the Government of Assam towards the extra expenditure which they have had to incur

recently for the maintenance of law and order as a result of the disturbances in certain border areas. The State Government have had to incur large expenditure on providing relief to the affected population, borrowing police forces from other States and constructing roads and bridges to facilitate communications. This abnormal expenditure has caused a great strain on the State's resources and the Government of India have agreed to meet 50 per cent of the cost of relief measures and of roads and bridges and the entire expenditure on the police borrowed from other States.

21. The last item is a provision of Rs. 33 lakhs for incidental expenditure on transport etc., in connection with the return of Lend-Lease silver to the Government of U.S.A. During the last War, the U.S. Government leased 226 million fine ounces of silver to the Government of India to be returned five years after the termination of the emergency. The liability for the return of this silver was divided between India and Pakistan, India's share being approximately 172 million fine ounces. It has now been agreed that the Government of India would make immediate arrangement for the shipment of 50 million fine ounces of silver and that the balance of 122 million fine ounces should be made available in the form of quaternary alloy coins. The cost of shipment of fine silver would be borne by the Government of India while the alloy silver would be delivered in India and the U.S. Government would meet all cost of handling, transport and refining and also retain the metals recovered in the refining process.

22. On the capital account, the estimates presented in March last provided for an outgo of Rs. 772·21 crores for capital expenditure and loans to State Governments and others. As stated earlier, an addition of Rs. 6·97 crores is now required for loans to Khadi and Village Industries Commission for the Ambar Charkha programme.

23. A provision of Rs. 15 crores is being made for loans to the Refinance Corporation which is proposed to be constituted shortly. The Agricultural Commodities Agreement between the Government of India and U.S.A. under American Public Law 480 provided, among other things, that a sum of about Rs. 26 crores would be reserved for re-lending to private enterprise in India through established banking facilities. As a result of subsequent discussions with the U.S.A. authorities, a scheme has been evolved for channelling these funds through a Refinance Corporation, which will provide re-lending facilities against loans given by Indian Banks. The Corporation is proposed to be constituted as a joint stock company under the Companies Act, 1956, initially with an ordinary share capital of Rs. 12·5 crores to be subscribed by the Reserve Bank of India, the State Bank of India, the Life Insurance Corporation of India and about 14 from amongst the larger scheduled banks in India. It is anticipated that the Corporation will require loans from the Government of India out of the earmarked funds relating to the P. L. 480 Agreement, to the extent of about Rs. 15 crores during the current financial year.

24. Another provision of Rs. 50 lakhs is being made for investment in the share capital of the Export Risk Insurance Corporation. The Corporation will be registered under the Indian Companies Act as a Private Limited Company with an authorised capital of Rs. 2·5 crores and paid-up capital of Rs. 50 lakhs. The maximum risks which the Corporation should carry will be 10 times the subscribed capital and the reserve built by it. In setting up the Corporation to introduce a scheme

of export risk insurance in India, the Government of India have been actuated by the desire to place the Indian exporter on even terms with exporters of other countries, who are aided by similar schemes in their countries.

25. These three items on Capital account will aggregate Rs. 22·47 crores. Against this Capital receipts are now expected to improve by Rs. 25·83 crores. Of this increase, Rs. 9.56 crores respresent the additional contribution to the Railway Development Fund which has been announced in the Railway Budget presented on the 14th May 1957, and Rs. 1·27 crores the additional contribution (inclusive of interest) to the Post and Telegraphs Renewals Reserve Fund mentioned earlier. The balance of Rs. 15 crores is on account of assistance under the Agricultural Commodities Agreement with the U.S.A. which is now estimated at Rs. 65 crores against the credit of Rs. 50 crores assumed earlier, the total foreign aid thus amounting to Rs. 150 crores. In the result, there will be a net receipt of Rs. 3·36 crores on Capital account.

26. Taking the Revenue and Capital accounts together, the over-all deficit of Rs. 365 crores estimated earlier will now increase by Rs. 2·89 crores to Rs. 367·89 crores.

Assessment in Brief

27. The review of economic conditions and of the financial position at it emerges for the budget year shows clearly that while more resources are required for meeting the increasing demands of the investment programme, both public and private, the economy is not generating the necessary savings. Budgetary deficits, rapid expansion of Bank credit, continued pressure on prices and a large balance of payments deficit these taken together connote a deficiency of voluntary savings relatively to the size of the investments being undertaken. Further, the emerging pressures have to be judged in relation to the requirements over the entire Plan period. Expenditure on the Plan has inevitably to be stepped up year by year, and the strain on the country's resources will grow in the period that must elapse before the investments being made come to fruition. These demands on the economy can be met successfully only by sustained effort at increasing productivity and mobilising savings on a national scale. Simultaneously, it is essential that the pace of investment, both in the public and private sectors is kept in reasonable relationship to the progress made in enlarging domestic savings and securing an inflow of external finance adequate to meet the foreign exchange requirements of the programmes in hand. This is the setting against which the policies and proposals that I propose to place before the House have to be judged.

Credit Policy

28. The first item of policy I wish to consider is credit policy. I referred earlier to the expansion of bank credit that has taken place over the last twelve months and the consequent strain this has imposed on the liquidity of the banking system. In the last few years the tempo of investment activity in the private sector has been steadily rising, and more recently there is evidence of a marked quickening of this tempo. This has entailed larger demands on the banking system by trade and industry. The credit advanced by scheduled banks rose during the year 1956 by Rs 153 crores to a record level of Rs. 788 crores, and in the first four months of this year, it has risen by another Rs. 119 crores. The deposit resources of banks have not gone up to a corresponding extent.

As a result, there has been an acute stringency of funds in the money market and an appreciable increase in the call money rate and the lending and deposit rates of banks. Considering the over all trends in the economy, the remedy for a situation of this nature is not an out-right increase in the supply of money and credit to the extent of the demand but a cautious and orderly expansion to meet genuine needs, accompanied by measures to prevent an excessive diversion of credit to less essential uses.

29. Against this background the Reserve Bank has been pursuing a policy designed to moderate the inflationary possibilities of a large credit increase through general and selective credit restraint—without at the same time denying credit to essential lines of activity. This policy of judicious restraint took the form of an increase in the bank's lending rates; the rate on advances under the bill market scheme was raised in two stages in March and November, 1956 from 3 to 3-1/2 per cent. and in February this year by an enhancement of the stamp duty on usance bills which increased the effective rate of borrowing by banks to 4 per cent. Simultaneously, the bank increased its rate on advances against Government securities to 4 per cent. In addition, as it appeared that speculative trading, particularly in essential commodities in short supplies like food-grains, absorbed some portion of bank credit, the Reserve Bank issued directives with a view to regulating advances against such commodities.

30. These measures have generally been effective. In the busy season now coming to a close credit extended has been of a somewhat smaller order than in the last busy season. The technique of selective control has had some effect on the level of bank credit; it has restrained the rise in prices in the sectors to which it was directed and has helped in channelling resources to more desirable outlets. It must be emphasised that the Reserve Bank's policy has not been one of mere restriction of overall credit; in fact, it has been one of ensuring controlled expansion—a process which has been helped in particular by the liberalisation of the bank's credit facilities under the bill market scheme and also through its open market policy. The expanded facilities under bill market scheme could be availed of by banks on a larger scale by a greater accretion to their deposit resources. Some progress has been achieved in this respect, but, I feel that a greater effort on the part of the banks to attract resources especially by reaching classes which have not yet developed the banking habit is called for.

31. In view of the increasing tempo of developmental activity programmes for the current year and in the succeeding years, I am convinced that credit policy should continue to be directed towards moderating the pressure of demand for funds without at the same time hampering essential lines of productive activity. It is in this context that the Reserve Bank has been continuously keeping its bank rate under review. Earlier today, the bank announced an increase in the bank rate from 3-1/2 to 4 per cent. As the effective lending rate of the Reserve Bank to scheduled banks has been 4 per cent. for some months now and the markets have had sufficient time to adjust themselves to this rate, this seems an opportune moment for rationalising the lending rate structure of the Reserve Bank by raising the bank rate itself. There are other considerations also which indicate the desirability of making this adjustment in the bank rate at this stage. I am not unaware of the limitations of the bank rate as an effective weapon in a developing economy. Nevertheless, an increase in the bank rate should assist the Reserve Bank in its task of moderating the pressure of demand for credit. While the Bank's latest decision might

appear to be only a formal recognition of a *de facto* situation, it is an action in keeping with the analysis of the economic situation. I have presented today, to curb the inflationary potential in the economy. In view of the increase in the bank rate, there is no longer the need to keep the stamp duty on usance bills at existing levels, and I am therefore reducing it with immediate effect to 50 Naye Paise per Rs. 1,000 for three months.

32. I may mention once again, in this context, the steps we are taking to set up a Refinance Corporation to cater to medium term needs of industry. This Corporation will in time, I hope, fill a lacuna in our existing system of Industrial financing. This is an instance of the positive aspects of the policy of controlled expansion which I have mentioned a little while ago.

Incentives for Small Savings

33. This brings me to my next point, which relates to small savings. In the ultimate analysis, the limit to expansion in the economy is set by the availability of savings, and in a country like ours where the banking habit is undeveloped, small savings have a special role to fill. Taking the first Plan period as a whole, the progress of the small savings movement has been encouraging. The target for the Second Plan requires substantial stepping up of collections year by year and I am anxious to ensure a sufficient incentive for the investor in small savings in all forms. The small savings movement is to my mind more than a way of collecting money; it is a scheme for spreading the habit of thrift and of encouraging participation by the common man in the Plan effort. I wish to take this opportunity to appeal to every family whether in the urban or in the rural areas to save more and make the small savings movement a success.

34. While the campaign for small savings has to be intensified, I propose also to increase the rate of interest on small savings investments with effect from the 1st of June 1957. Briefly, I have decided to increase the rate of interest on Post Office Savings Bank accounts by 1/2 per cent. and to have a new series of 12 years certificates to be called National Plan Savings Certificates in replacement of the present National Savings Certificates and National Plan Certificates. The interest on Savings Bank accounts will now be 2-1/2 per cent. on balances up to Rs. 10,000 and 2 per cent. on balances in excess up to Rs. 15,000 in the case of individuals and 2 per cent. on balances in the public accounts. There will be only two types of savings certificates hereafter: (i) the National Plan Savings Certificate with a maturity of 12 years and (ii) the Treasury Savings Deposit Certificate with a maturity of 10 years. The yield on both these will be increased; for the former to 4·25 per cent. compound interest, at the end of 12 years and for the latter to 4 per cent at the end of 10 years. Both these certificates will be tax-exempt. For people who hold these certificates for periods less than 12 years the yield will be suitably adjusted. For example, Rs. 100 invested in a National Plan Savings Certificate will become Rs. 127 at the end of 7 years, Rs. 148 at the end of 10 years and Rs. 165 at the end of 12 years. In the case of the Treasury Savings Deposit Certificates interest is paid every year but an adjustment is made in the event of the holder deciding to encash it before maturity. In the case of National Plan Savings Certificates the period of non-cashability will be fixed at 12 months. The further issue of National Plan Certificates and 7 years National Savings Certificates will be discontinued.

Foreign Exchange Policy

35. Fiscal and monetary policy at this juncture has to be designed in a way that will make it clear beyond doubt that we on our part, are determined to do our best to implement the Plan as fully as possible. We have to make the fullest effort to raise the domestic resources required and I shall come presently to my tax proposals—which reflect this determination. It is clear, however, that the problem is not merely one of raising more domestic resources but also of finding ways and means firstly to conserve and secondly to augment our foreign exchange resources in keeping with the large requirements of the Plan. The steps we are taking in the field of domestic economy policy will, it is hoped, react beneficially on our foreign exchange position as well, but this latter is, admittedly, a more difficult problem. What we can earn by way of foreign exchange on our exports is not a matter entirely in our hands; it depends on the trend of world prices and demands. Similarly, the prices we have to pay for our imports are beyond our control and all that we can do is to limit the volume of our imports. Here again, there are problems. The cuts we impose on imports become effective only after a time lag. Moreover, a developing economy needs increasing imports and there is danger, in a restrictive import policy, of impending the flow of imports needed for the very purpose of development. Foreign exchange policy is thus a matter of delicate balancing and it is a balancing if I may say so, in which a favourable turn of the wind could make a material difference.

36. In the March White Paper the various measures taken to save and conserve foreign exchange have been listed. The import programme for the first half of this year involved considerable cuts in imports, and the process will, I am afraid, have to be carried considerably farther in the import programme for the second half of the year. Government have already announced their policy in regard to licensing of capital goods imports Private investors are being encouraged to seek medium term credits from abroad and to invite foreign enterprise to associate itself increasingly with Indian enterprise. We have in front of us a rather difficult period and we will have to exercise the utmost caution and vigilance in the matter of imports while taking every possible step to increase our export earnings. The fact that in the last twelve months the level of imports has been exceptionally high warrants the presumption that the economy can put up with sizeable import cuts for some time to come without serious dislocation. At any rate, I wish to reiterate the Government's determination to restore a position of better balance in external account as early as possible.

37 An under-developed economy which launches upon programme of industrialisation suffers from the inevitable handicap of having to import from abroad, all or practically all, of the equipment and capital goods that it needs to make the right start. Nevertheless, a start has to be made and in the process risks have to be undertaken. In the nature of things it is not possible to chalk out the course of policy and action in the field of foreign exchange with the same precision or detail as in case of domestic policy. The second five year plan involves heavy foreign exchange expenditure and the estimated gap in the balance of payments has widened partly because in some respects the initial estimates were on the low side and partly because of the rise in prices abroad. This gap is by no means easy to fill. We shall have to make our best effort along the lines I have mentioned. At the same time, we must recognise that

external resources on a considerable scale will be necessary in order to enable us to see through the developmental tasks we have taken in hand. Given reasonable effort all along the line on our part, we shall, I am confident, get over the transitional difficulties that are confronting us at present.

THE PLAN

38. The estimates of required outlay have gone up since the Plan was formulated. The fulfilment of the Plan to schedule postulates, *inter alia*, the availability of external resources on a considerable scale, and the need for these resources is the greatest in the earlier part of the Plan. Evidently, shortfalls in this respect cannot be made good by a draft on domestic resources. We have this aspect of the problem under continuous review. It is not possible to say at this stage to what extent the progress of the plan will be affected because of foreign exchange shortage. The core of the Plan is steel, coal, transport and ancillary power. With the external assistance that has been already promised and with further support from the International Bank and other sources, we shall, I think, be able to carry through the projects in this "core". This group of programmes has the highest priority in view of its bearing on further development. But, in regard to other projects, especially those for which no external resources are specifically forthcoming, and which are not otherwise of high priority, it would be prudent for us not to make fresh commitments for some time until the outlook becomes clearer and we have more assurance of our being able to find the foreign exchange resources needed for them. Some rephasing of the Plan is thus, inevitable, but, if as I hope, the balance of payments situation takes a turn for the better before long and if we succeed in securing adequate external resources, the achievement on the Plan should not fall much behind schedule.

39. Even if the Plan did not encounter difficulties in certain sectors—which it does—a rephasing of it might be necessary in certain parts. The rapid development of the country in the last few years has made it incumbent on our part to give closer attention to the socio-economic objectives of the Plan. The Plan has set to itself the objective of increasing national income progressively over a period of 15 to 20 years. The urgency of development is related to the need for raising living standards all round and for creating an environment in which democratic values and ways of life take root and gather strength. To those who regard the Plan as too ambitious, I would respectfully submit that they should take a good look at the living conditions of the bulk of our people. If they would only do this, I am sure they will, along with me, be able to see the several directions in which the Plan is inadequate. In the last few years there has been some visible improvement in the standards of nutrition and probably, of clothing. The housing conditions and environmental hygiene in urban and rural areas of the low income groups are deplorable; the slums in our cities are a disgrace to any society which claims to be considered civilised. I am deeply anxious to see that the Plan is strengthened in this respect.

40. Let us not forget that the very fact that a measure of success has been achieved already in raising living standards makes it all the more urgent that the process be carried forward with vigour and determination. The millions in India have woken up to new desires and new wants for the first time in many generations. With knowledge that a better future for all is possible has come the aspiration that the desired improvements

should take place without delay. Whether it is the demand of industrial labour for higher wages and better housing conditions, or of low-paid teachers and government employees for a fair deal and greater security—all these are but manifestations of the new awakening and of the new striving for an economic future which is consistent with the dignity of the citizens of a free society. One cannot merely shrug one's shoulders in the midst of such a situation and say that all these things must wait till somehow or other the financial situation in the country improves. Whatever the difficulties of the moment, the demand of the people—especially of the low-income groups—must be assessed carefully and met to the maximum possible extent. Admittedly, there has to be some order of priorities in dealing with the legitimate but innumerable claims of the people. Even among the less fortunate sections of the society, there are at present wide disparities in income and it is essential that the needs of some should take precedence over those of others. The employees of State Governments and local bodies, for example who are also doing great national service enjoy conditions of service which are less favourable than those for Central Government employees. I would humbly venture the claim that the Central Government have taken a lead recently in bettering the conditions of these people; but in view of the somewhat strained finances of many States, we have not been able to make much headway. The point remains that in attempting to improve the living conditions of the people, every care has to be taken to make a beginning where it is most needed. I am also aware that the claims of investment should not go overboard in attempting a speedy improvement in the living conditions. But when all the concessions to reality are made, the fact remains that to pronounce that our present plan is too ambitious would be a declaration of defeat in advance. The tasks we have in hand are worthwhile. Their successful completion will make a significant contribution to further development. There should be no stinting of effort or sacrifice in the furtherance of these tasks.

41. The Plan is the main theme and the dominant concern of all our thinking and policy-formulation. It could not be otherwise in a country which accepts development as its topmost priority. The Plan has run into difficulties, but I see no warrant for alarm or panic What is required is preparedness to make the necessary sacrifices, and courage and resourcefulness in handling the problems that arise in the course of its implementation.

Taxation Policy

42. This brings me to the most crucial aspect of economic policy, *viz.*, taxation. I should like first to enumerate briefly the objectives of our taxation policy before I come to taxation proposals for the year. Taxation policy and proposals at this juncture have to be shaped in the light of the following criteria:—

(a) They must produce a sizeable addition to public revenues;

(b) they must provide incentives for larger earnings and more savings;

(c) they must restrain consumption over a fairly wide field so as to keep in check domestic inflationary pressures and to release the resources required for investment; and

(d) they must initiate such changes in the tax structure as would make tax yields progressively more responsive to increased incomes and facilitate an orderly development of the economy with due regard to the social objectives we have adopted.

43. As I stated in my Budget speech in March last, the overall budgetary deficit of Rs. 365 crores which I left uncovered then is too large in the context of the present economic situation. The changes which I am now incorporating in this Budget leave this initial deficit practically unchanged, and I think it is vital for us to find ways and means of bringing down this deficit significantly. The other criteria of policy which I have just mentioned need hardly be elaborated but their application, I hope, will be clear as I proceed with the elucidation of my tax proposals for the year.

Indirect Taxation

44. I might begin first with my proposals in the field of indirect taxation. Taking Customs first, it will be appreciated that the scope for raising additional revenues from them is limited. Hon. Members are aware of the severe restrictions we have imposed on imports in order to curtail our foreign exchange expenditure. Moreover, import duties on most of the so-called luxury articles are already fairly high and the duties on capital goods and industrial raw materials have necessarily to be kept as low as possible. The proposals I have made envisage the raising of the rates of duty by small amounts on about 90 items. I have also taken this opportunity to rationalise the rates in the Customs Tariff which run into several hundred items. There is considerable diversity in these rates which is of no real significance and is in fact administratively cumbrous. I have tried to give the tariff rates a simpler form and in this process the surcharges have been merged into the basic rates. I have also availed myself of this opportunity to convert the rates of duty both in the import and the export tariff in terms of decimal coinage. No other change is being made in the export duties. Altogether, my proposals in respect of import duties will yield a revenue of about Rs. 6 crores spread over a large number of items, too numerous to mention here.

45. *Excise Duties.*—I now come to Union Excise Duties. I may say at once that I have fairly substantial proposals under this head, and in doing so, I have in mind the double objective of restraining consumption and of giving a fillip to exports. I propose the following increases:—

(i) *Motor spirit.*—The existing excise duty which works out at 96 N.P. per Imperial Gallon inclusive of surcharge be raised to 125 N.P. per Imperial Gallon. This will yield an additional revenue of Rs. 6·65 crores in a full year.

(ii) *Refined Diesel Oil.*—The existing duty of 25 N.P. per I.G. be raised to 40 N.P. per I.G. This is estimated to yield Rs. 1·90 crores in a full year.

(iii) *Diesel oil, not otherwise specified.*—The duty be raised from Rs. 30 per ton to Rs. 40 per ton, the additional yield from which over a year is estimated at Rs. 35 lakhs.

(iv) *Kerosene.*—The existing duty of 18:75 N.P. per I.G. be increased fractionally to 20 N.P. per I.G. This will yield Rs. 20 lakhs in a full year.

(v) *Cement.*—The existing duty of Rs. 5 per ton be raised to Rs 20 per ton, the estimated annual yield being Rs. 6·7 crores.

(vi) *Steel Ingots.*—The existing duty of Rs. 4 per ton be raised to Rs. 40 per ton, yielding on an annual basis Rs. 5·7 crores.

(vii) *Sugar.*—The existing duty of Rs. 5:62 per cwt. be raised to Rs. 11·25 per cwt. This will yield Rs. 18·55 crores in a full year.

(viii) *Vegetable non-essential oils.*—The duty of Rs. 70 per ton be raised to Rs. 112 per ton. This will mean an increase from about 3 N.P. to 5 N.P. per lb. The estimated yield on this account is Rs. 3.15 crores in a year.

(ix) *Tea.*—The duty be raised as follows:—

(a) loose tea—from 6·25 N.P. per lb. to 10 N.P. per lb.

(b) package tea converted from duty paid loose tea—from 18·75 N.P. per lb. to 35 N. P. per lb.

(c) package tea—from 25 N.P. per lb. to 45 N.P. per lb.

This will yield an additional revenue of Rs. 2·45 crores in a year.

(x) *Coffee.*—The existing duty be raised from 18·75 N.P. per lb. to 35 N.P. per lb., the estimated additional yield being Rs. 80 lakhs.

(xi) *Unmanufactured tobacco.*—The duty be raised as under:—

(a) if other than flue-cured and used for the manufacture of cigarettes or smoking mixtures for pipes and cigarettes—from 56 N.P. per lb. to 75 N.P. per lb.

(b) if not flue-cured and not actually used for the manufacture of cigarettes or smoking mixtures for pipes and cigarettes and such tobacco cured in whole leaf form and packed or tied in bundles, hanks or bunches or in the form of twists or coils—from 37 N.P. per lb. to 50 N.P. per lb.

(c) if other than flue-cured and not otherwise specified—from 87 N.P. per lb. to 100 N.P. per lb.

The additional yield from these increases aggregates Rs. 6·15 crores in a full year.

(xii) *Matches.*—The existing duties be raised so as to permit of sale of match boxes at 6 N.P. and 4 N.P. per match box of 60's and 40's respectively The gain to revenues in a full year by these increases is estimated at Rs. 6·2 crores.

(xiii) *Paper.*—My proposals involve an increase in the existing duty on various types of paper, the aggregate additional yield being estimated at Rs. 2 crores on an annual basis.

46. These proposals in respect of Central Excise Duties are estimated to yield Rs. 60·80 crores in a full year. For the remaining part of the current year, their yield is estimated at Rs. 53·20 crores, out of which the share of the States will be about Rs. 4·2 crores in respect of tobacco and matches.

47. In recommending these increases, I have kept in mind the need for a balanced increase among the various items I have listed The increases proposed in respect of cement and steel are large, but they are warranted by the rapid increase in the demand for them within the economy and the situation of growing shortage and the consequent increase in retail prices which we are facing. The increase in the duty on sugar has the same objective as the increase we made last year in the excise duty on cloth, namely, to restrain domestic consumption in the interest of larger exports. In the case of matches, the existing duties were fixed with a view to ensuring sale at 3 pice per match box of 60's and 2 pice per match box of 40's. Under the decimal coinage system the equivalent of these prices comes to 4·7 N.P. and 3·1 N.P. respectively and this would have

meant in effect a retail price of 5 N.P. and 3 N.P. respectively. With the increase in the excise duty now proposed, the retail price will be 6 N.P. and 4 N.P. respectively.

48. As regards tobacco, it is known that a Tobacco Expert Committee was appointed in January, 1956 under the chairmanship of Shri Raghuramiah, M.P., to review the procedure adopted in applying the criterion for assessment of unmanufactured tobacco. The Committee after careful consideration of the problem has recommended that the criterion of 'capability' of use for manufacture of bidis should be revised by the criterion of 'physical form' of tobacco other than flue-cured for purposes of assessment. Accordingly, such tobacco is proposed to be reclassified on the basis suggested by the Committee. For revenue purposes, the rates of duties on such tobacco are also being somewhat enhanced. With the proposed increase in the rate of duty on these two types of tobacco the rate of excise duty on unmanufactured tobacco for use in the manufacture of cigarettes is also being proportionately raised.

49. The tariff relating to paper has been re-arranged with a view to greater rationalisation and to absorb the higher profit margins now developing in the retail trade and the rates of excise duty which had been kept deliberately low in the initial stages are being enhanced.

50. Finally, following the increases in the rates of excise duty on vegetable non-essential oils and strawboards and millboards, the existing slab exemption in favour of small producers of these commodities are being suitably revised by executive notifications.

Direct Taxation

51. I turn now to direct taxation. Firstly, I propose to make certain adjustments in personal income-tax and super-tax rates. Till now, these changes have followed a standard pattern which, I think, needs a fundamental change. It is necessary to recognise that the basic rates should apply to the person who earns his income, that is, sweats and toils for it, and that others who derive their income from property and investments, that is, without making any direct effort should be made to pay more by a surcharge. Under the present system there is no provision for earned income allowance for super-tax. For income-tax there is an allowance of 20 per cent subject to a maximum of Rs. 4,000 for earned incomes not exceeding Rs. 25,000. For incomes in excess of this amount, the allowance of Rs. 4,000 is reduced at the rate of 20 per cent of the excess over Rs. 25,000 so that for an earned income of Rs. 45,000 the allowance is reduced to nil. I now propose to change this system altogether, applying a standard schedule of rates to all earned incomes and imposing a higher surcharge on unearned incomes. I have come to the conclusion that our existing rates of direct tax at top levels deprive the tax structure of all flexibility. It is said that they tend to diminish the incentive for work but I am aware that they encourage large scale evasion. It is now recognised that the very high rates of direct taxation in the top income brackets in many countries of the world are in practice tolerated or tolerable only because of considerable evasion that takes place. In other words, the high rates tend to be applied to a corroded tax base. I now propose a revised schedule of these rates and introduce a new scheme of surcharge levy which will mean that the total of the income-tax, super-tax and surcharge for the highest slab will be brought down from the existing level of 91·8 per cent to 84 per cent for unearned and 77 per cent for earned incomes. The surcharge will be 5 per cent on the tax computed at the standard schedule rates for earned incomes up to Rs. 1 lakh and 10 per

cent on incomes in excess of that sum. For unearned incomes, there will be a uniform surcharge of 20 per cent over the standard schedule rates. When a person's income is partly earned and partly unearned, the unearned income will be considered to belong to the slab in which the earned income ends and to higher slabs where necessary. The rates for the lower slabs have been adjusted in keeping with this change in respect of top slabs. To provide relief to the middle classes, I propose that no surcharge on unearned income be levied where the total income does not exceed Rs. 7,500. The reduction in the rates of direct taxation will cost Exchequer Rs. 7-1/2 crores. This reduction should, however, be judged in the light of the other changes in direct taxation which I mention later.

52. I propose also to widen the present income-tax base by reducing the taxable minimum from Rs. 4,200 to Rs. 3,000. The minimum limit had been raised over the past few years mainly for administrative reasons. An income of Rs. 4,200, modest though it is in absolute terms, is quite a large multiple of the average level of incomes in the country. It is reasonable to expect that those with an income over Rs. 3,000 should also make their contribution, however small, to the public exchequer, and should come within the range of direct taxation. As development proceeds, there will, I expect, be a large and progressive increase in the number of incomes within this range and I think it is essential, if the Exchequer is to benefit proportionately from the expansion of incomes consequent on development, that these incomes are brought within the income-tax range. I therefore, propose to place the exemption limit now at Rs. 3,000 for Individuals and Rs. 6,000 for Hindu Undivided Families. I propose, however, to couple this with an increased allowance for married people. The extra tax-free slab of Rs. 1,000 which at present applies to married people will now be raised to Rs. 2,000. The wider coverage of income-tax consequent on this set of proposals will bring in about Rs. 5 crores this year.

53. My next proposal relates to the taxation of Companies. I propose to raise the income-tax payable by Companies from the present level of 4 annas in the rupee to 30 per cent and the Corporation Tax from the present level of 2 annas 9 pies in the rupee to 20 per cent. As Hon. Members are aware, shareholders of Companies are entitled to credit of income-tax paid on their behalf by the Company. The net effect of the proposal to increase income-tax on Companies will, therefore, not be very significant. It will to some extent help us to check tax evasion.

The need for corporate savings is as great as ever. In view, however, of the increase proposed by me in the rate of Corporation Tax, I propose to reduce the Excess Dividends Tax—

- to 10 per cent on distribution of dividends between 6 per cent and 10 per cent of the paid-up capital,
- to 20 per cent on distribution between 10 per cent and 18 per cent of the paid-up capital, and
- to 30 per cent on the balance.

During the debate on the Finance (No. 3) Bill introduced by me last December, reference was made by certain Members to the stimulus that my proposals were likely to give to bonus share issues. I was aware then that with the increase in the rates of Excess Dividends Tax and the introduction of the Capital Gains Tax, there should be some change in the rates of tax on bonus issues. I have considered this matter and propose to raise the tax thereon from the present level of 12½ per cent to 30 per cent.

54. At present, rates of super-tax for inter-corporate dividends are about 17 per cent for Indian Companies and 20 per cent for foreign companies. With increase in the basic rates of Corporation Tax, these rates require adjustment. I propose accordingly, to reduce the rate of inter-corporate super-tax to 10 per cent for both Indian and foreign companies on dividends received from Indian subsidiaries. The effect of this will be that, so far as foreign companies working through subsidiaries are concerned, the total tax payable by them will remain practically unaltered. Similarly, for foreign companies operating through branches and earning other incomes, the rate of Corporation Tax will be reduced from 36 per cent to 30 per cent. I expect that, with these changes, there will be some encouragement to the investment of foreign capital in India.

55. My next proposal with regard to Companies relates to the tax on undistributed profits of companies in which the public are not substantially interested. This tax has frequently been the subject matter of considerable argument. The principle on which the tax is based is unexceptionable, namely, that individuals having income in the higher brackets should not be allowed to avoid payment of super-tax by forming close corporations and not distributing their profits in such corporations. However, in the context of our development plans, we have to balance against the need to prevent super-tax avoidance the needs of companies for funds required for expanding industrial activities. I propose to reduce to 45 per cent the minimum percentage of available profits which an industrial company of the above type should distribute in order to avoid the penal consequences of inadequate distribution; for non-industrial companies the percentage will continue to be retained at 60 per cent. For a company which derives profits partly from industrial activities and partly from other activities, the minimum distribution required will be 45 per cent of available industrial profits and 60 per cent of other available profits. Investment companies will be required to distribute 100 per cent as usual. In cases where the accumulated profits and reserves are not less than the paid-up capital or the value of the fixed assets, the minimum percentage required to be distributed is at present 100 per cent for all companies. I propose to reduce the percentage to 45 per cent for the industrial companies and 90 per cent for others. With these reductions in the minimum amount required to be distributed, it will be unnecessary to continue the present scheme of adjudication by the Commissioner of Income Tax and the Board of Referees on the business needs of companies seeking total or partial exemption from the operation of the provisions relating to minimum distribution.

56. There are certain other minor changes proposed upon which I do not wish to dilate here. These relate to exemption from income-tax of employer's contribution to a recognised provident fund, increase in the percentage of the income that will qualify for rebate of income-tax if saved in the provident fund or insurance, limitation on the carry-forward of losses, etc. I have also taken the opportunity of redrafting the provision relating to deposits to be made by companies of a portion of their undistributed profits and development rebate and depreciation allowances so as to bring out the Government's intention more clearly.

57. Altogether, the changes I propose in the taxation of Companies will bring in additional receipts amounting to Rs. 7½ crores.

58. I come now to two new tax measures designed to alter the tax structure in a way that will ensure a more effective and at the same time a more equitable basis for taxation. My first proposal is to levy a Tax

on Wealth. It is recognised that income as defined by existing Income Tax laws and practice is not a sufficient measure of tax paying capacity and that the system of taxation on incomes has to be supplemented by taxation based on wealth. This is more equitable and it also promises, over a period, to reduce the possibilities of tax evasion. I mentioned earlier the reliefs in income-tax at top levels of income which I am introducing this year. These reliefs are meant as an encouragement to larger effort and greater initiative on the basis of which alone a healthy and progressive economy can be built up. It is necessary at the same time to adopt other measures which are egalitarian in intent but which do not have a disincentive effect. The Tax on Wealth that I am now proposing is one such measure. This tax will be payable by Individuals, Hindu Undivided Families and companies. In the case of Individuals, values up to Rs. 2 lakhs and in the case of Hindu Undivided Families values up to Rs. 3 lakhs will be exempted. In respect of wealth exceeding that amount the rate will be ½ per cent for the first Rs. 10 lakhs, 1 per cent for the next 10 lakhs and 1½ per cent on the balance. This will thus be a progressive tax which, together with the surcharges I have recommended in respect of income-tax on unearned incomes, will contribute towards a more effective taxation of the richer classes without diminishing incentives to earn in the process.

59. In the case of Companies, there will be no tax on assets up to a value of Rs. 5 lakhs; on values beyond that the rate will be ½ per cent. The Wealth Tax is intended primarily as a measure of personal taxation but in the peculiar economic structure of India I consider it advisable not to exclude Companies from the purview of this tax. However, the rate of tax has to be low. This is why I have proposed a flat rate of only ½ per cent on assets above the exemption limit I have just mentioned.

60. Certain properties will be exempted from this tax. Some of these are:—

Agricultural properties;

Properties belonging to charitable or religious trusts;

Works of art;

Archaeological collections not intended for sale;

Balances in recognised provident funds and insurance policies;

Personal effects including furniture, cars, jewellery, etc., up to a maximum of Rs. 25,000; and

Books and publications not intended for sale.

With a view to achieving simplicity in the procedure for evaluating the various kinds of assets which form part of a business undertaking, it is proposed as far as possible to treat the business undertaking as a whole as a single unit for valuation. Other assets will be taken at their market value. The yield from this tax is estimated at about Rs. 15 crore.

The imposition of this tax as also the other measures now proposed should help in checking evasion. I am taking credit of Rs. 5 crores on this account.

61. Broadly speaking, the administrative set-up and the procedure for assessment and appeal will be the same as for Income-tax. With regard to valuation of immovable non-agricultural property the assessee will be given a right of reference to an arbitration committee against the decision of the first appellate authority. This committee will consist

of a Valuer appointed under the State Duty Act another non-official member drawn from a panel of persons familiar with local property values.

62. The other proposal I make is the introduction of a Tax on Expenditure. This is a form of taxation which has no backing as yet of historical experience. It is however, a tax which, given effective administrative arrangements, can be a potent instrument for restraining ostentatious expenditure and for promoting savings. In the present circumstances, I think all we can do is to make a small beginning. I propose to levy this tax only on Individuals and Hindu Undivided Families whose income for income tax purposes is not less that Rs. 60,000. The tax will be imposed on all expenditure incurred, from whatever source it may be, in excess of certain sums which will vary with the size of the family. The amounts excluded are:—

A basic amount of Rs. 24,000 for an assessee and his wife; and Rs. 5,000 for each dependent child.

The rate of tax will be based on a slab system, the rate for each slab increasing progressively with the increase in the level of expenditure. Thus, for excess expenditure up to Rs. 10,000 the rate will be 10 per cent and for higher slabs the rate will increase progressively. As in the case of Wealth Tax, the administrative set-up and the assessment and appellate procedure will be the same as for Income-Tax. I propose to make this tax applicable from the financial year 1958-59 and therefore take no credit for any receipts in 1957-58.

63. I propose to levy a tax on railway passenger fares. The rate of tax will be 5 per cent for distances up to 30 miles, 15 per cent for distances between 31 miles and 500 miles and 10 per cent for longer distances. No tax will be levied on season tickets. The yield of this tax is expected to be Rs. 14 crores in a whole year. In the current year, the yield will be about Rs. 8 crores. The proceeds of it less the amount attributable to Union Territories will have to be distributed entirely to the States. The States need more resources and railway travellers, like consumers of other commodities, should, under present conditions, make a contribution. I propose to seek the advice of the Finance Commission before I bring forward proposals before Parliament in regard to the actual distribution of the proceeds of this tax.

Changes in Postal Rates

64. The Postal and Telegraph Branches of the Posts and Telegraphs Department are working at a loss. Except for unregistered letters and inland letter cards practically all items of postal traffic are carried at a loss. On a number of items like post cards, money orders, registered newspapers etc., the rates charged have, for many years, been substantially less than the cost of providing the service. For example, it has been estimated that the average cost of carrying a post card is 7·24 naye paise as against the present postage of 5 naye paise. This results in an annual loss of over Rs. 155 lakhs. Every increase in traffic in these items—and traffic has been increasing—results in an increase in the losses. With the progressively increasing expenditure on construction of staff quarters and the provision of other amenities for the staff, the existing postal rates are bound to prove even more uneconomic. The opening of unremunerative Post Offices and Telegraph Offices as part of the Department's expansion schemes under the first and second five year plans has contributed to the loss in the Postal and Telegraph Branches. The Department has also been building up its capital assets at a fairly rapid

rate, the total capital outlay at present being about three times what it was before Independence. The annual provision, from revenue, for depreciation and replacement of these assets, as I have said before, is at present only Rs. 1·25 crores, and it has been decided to increase this provision to Rs. 2·50 crores during the current year in anticipation of a detailed examination of the whole question. In response to a demand which had been widely and persistently voiced by the book trade, both in and out of Parliament, Government had appointed a Committee to examine the question of charging a concessional rate of postage on bonafide books as compared with other items chargeable as packets so that the cost of sending books to rural areas which could be reached only through Post Offices might not be unduly increased. After considering the Book Committee's Report, it has been decided to allow a concessional rate of postage on books. All these measures, however, inevitably result in reducing the surplus earnings of the Department and of increasing the losses of the Postal and Telegraph Branches. To ensure the financial stability of the Department, it has become necessary to raise some rates On post cards, the existing rate of 5 naye paise for single and 10 naye paise for the reply post cards will be raised to 6 naye paise and 12 naye paise respectively Postage on local post cards will be raised similarly from 3 naye paise for single and 6 naye paise for reply post cards 4 naye paise and 8 naye paise respectively. For packets containing bonafide books only, the postage on the initial weight slab of 5 tolas will be reduced from the existing rate of 6 naye paise to 5 naye paise but on other packets the existing rate of 6 naye paise will be raised to 8 naye paise. The postage on additional weight slabs, in both these cases, will remain unchanged In spite of these adjustments in the book, sample and pattern packet rates, the traffic in this category of articles will continue to result in a loss of over Rs. 8 lakhs per annum. The rates on parcels will be increased from the existing level of 50 naye paise for every 40 tolas or fraction thereof to 60 naye paise for the 1st 40 tolas or fraction thereof and 50 naye paise for every additional 40 tolas or fraction thereof On inland telegrams, the charge for every additional word over the minimum of 8 words will be raised from 7 naye paise to 8 naye paise for ordinary and from 14 naye paise to 16 naye paise for express telegrams. The additional revenue expected in the current year from these increases is Rs. 85 lakhs.

Recapitulation

65. I must now recapitulate briefly the proposals I have made so far:—

(i) Firstly, my proposals involve small increases of import duties on a number of articles, the additional yield from which during the year is estimated at about Rs. 6 crores.

(ii) Secondly, the proposals I have made in respect of excise duties involve an enhancement of the rates of duty on various items such as motor-spirit, refined diesel oils and vaporising oil, diesel oil not otherwise specified, steel ingots, cement, sugar, matches, unmanufactured tobacco other than flue-cured, vegatable non-essential oils, and paper. The additional revenues on this account are estimated at Rs. 53·20 crores for the remaining portion of the current financial year but Rs. 4·2 crores will be payable to the States as their share of the additional duties on tobacco and matches.

(iii) Thirdly, the proposals I have made in regard to personal income-tax and super-tax are estimated to bring in Rs. 25

crores in the current year of which the share of the States on account of income-tax will come to Rs. 3 crores. The reduction in income-tax and super-tax rates involve a loss of Rs. 7·5 crores. The lowering of the exemption limit is estimated to yield Rs. 5 crores. The adjustments in Company taxation will yield about Rs. 7·5 crores. The Tax on Wealth is estimated to yield Rs. 15 crores, and to this I add Rs. 5 crores by way of better collections of income-tax reflecting a reduction of tax evasion. The changes I have suggested in direct taxation do not make a big addition to public revenues this year but I expect that they will make an increasing contribution to the Exchequer as we get more experience with the new forms of taxation I have proposed and as the machinery for assessment and collection gets geared to its new tasks.

(iv) Fourthly, I have proposed a tax on fares payable by passengers travelling by Railway. This will yield Rs. 8 crores which will be distributed entirely to the States.

(v) Fifthly, I have proposed changes in postal and telegram rates which are expected to yield a revenue of Rs. 85 lakhs.

(vi) Sixthly. I have proposed an Expenditure Tax which will be effective from 1958-59 but will apply to expenditures incurred in 1957-58.

66. The net accretion to the Central revenues as a result of these proposals will amount to Rs. 77·85 crores and the revenue budget will now show a surplus of Rs. 44·73 crores. Ordinarily, the over-all deficit would, as a consequence, amount to Rs. 290 crores, if the additional revenue of Rs. 15 crores which would be passed on to the States as a result of these proposals is not taken into account. As Hon. Members will observe from the White Paper Central assistance to the States for financing the Plan during 1957-58 has been placed at Rs. 278 crores. As a result of the additional revenue accruing to the States, there will therefore be a corresponding reduction in this figure, the reduction being taken in the provision for loans to the State Governments. The overall deficit will thus amount to Rs 275 crores and will be met by expansion of Treasury Bills.

Taxation and Development

67. I would like to say a few words about the import of these proposals. We are pledged to move in the direction of a socialist society. This means that we wish to develop an efficient system of production and an equitable pattern of income and wealth which will ensure well-balanced progress. Such a system requires a strengthening of incentives to work and to save. This is the rationale of my tax concessions on earned incomes. A standard rate of tax on earned incomes, and a differential rate for taxation of unearned incomes, coupled with a tax on wealth and a tax on expenditure, will give us a better basis for assessment of tax liability, especially in respect of higher income ranges, and will help us to close progressively the loop-holes for tax evasion and corrosion of the tax base. If I have brought down the exemption limit for tax liability it is, firstly, because the present limit is too high in relation to the average level of incomes in the country, and secondly, because I am of the view that the ground must be prepared from now on for bringing into tax net the increases in incomes which will take place in these ranges in the coming years. All my proposals in the field of direct taxation form an inter-related whole, and should, I suggest be judged as such.

68. My propsals in respect of company taxation are designed not merely to increase revenues but also on balance, to encourage the

ploughing back of profits through a check on dividend distribution. These measures are not intended to curtail genuine investment in the private sector, though it would not be unreasonable to assume that a slight slowing down for a short period will not, in present circumstances be undersirable. There are, however, other devices to ragulate private investment. I wish, therefore, to retain the bias in the tax structure in favour of corporate investment. It is for this reason that I have left untouched the existing liberal depreciation allowances and the system of development rebates, which it is recognised on all hand, are a powerful incentive for investment. I have also as I mentioned earlier, re-adjusted the tax rates to encourage foreign investment. I recognise that the shareholder or the investor expects to get a reasonable return on his capital, but I also think that under modern conditions there is even greater need for providing incentives for those who work and manage concerns and thus fall within the category of earned income earners.

69. My proposals involve a raising of burdens on the near necessities of the common man. This is inevitable in the present circumstances. These burdens, large as they may look in the aggregate, have a low average incidence. A process of development in a country where most incomes are low cannot be financed without calling for sacrifices from all sections of the community, and there are special reasons at this juncture for applying some restraint on consumption in order to check inflationary pressures and to stimulate exports. I recognise, at the same time, the need in particular sectors may well be from time to time to assist in maintaining consumption at a reasonable level in terms of the minimum nutritional standards, and to this end, it may be necessary to subsidise food. My intention, therefore, is to build up from out of the additional receipts of taxation a food subsidy fund of the order of Rs. 25 crores. This fund will be used to keep down food prices, particularly for the more vulnerable areas.

70. The proposals that I have made will still leave the overall deficit for the year at a level somewhat higher than I would consider safe; but it is not unwise in my judgment to run a measure of risk especially if by doing so the expansionary impluse in the economy can be maintained at a reasonably high level. A budgetary deficit involves creation of fresh purchasing power. It implies that on balance, Government puts more purchasing power into the hands of the public than it withdraws from it. The stresses and strains that have developed in the economy are a warning against unrestricted deficit financing. I am not against deficit financing as such; I recognise it can play a role in promoting development. But, it is a medicine to be taken in small doses; it is not food that would sustain the system. On the whole, I doubt if we shall be able over the Plan period to undertake deficit financing of the order indicated in the Plan,and this means we have to raise more resources by taxation, loans and small savings. Considering the needs not only of the current year but also of the next few years in terms of the second five year Plan, I am convinced that the measures I have placed before the House today are essential and salutary.

71. Indeed, I feel confident that over a period, they will help us in getting out of the stagnancy of public revenue relatively to national income, which is a bottleneck from the point of view of further development planning. The ratio of public revenues to taxation in India is low, even by the standards of relatively under-developed countries. The way to raise it is to initiate structural changes in the tax system so as to make it more progressive in terms of returns. The emphasis of my proposals

is on this aspect of the tax problem. The propriety of the changes I have suggested should be judged in this light rather than in terms of their immediate yield I have in effect, outlined the tax structure for the Plan period. There will, undoubtedly, have to be some adjustments in this structure from year to year, but I expect that these adjustments will be relatively small and of a marginal character. For the rest of the Plan period, our aim will be to watch how the changes I have initiated this year work in practice and how the system can be improved upon—to the benefit of the tax payer no less than in the interest of the tax-receiver. Within this broad framework, I believe, all concerned can proceed with their plans with confidence and assurance of sympathetic consideration by Government of any genuine difficulties.

Conclusion

72. This brings me to the end of my story; I am aware that the policies and proposals I have placed before you add up to a varied and somewhat formidable bill of fare. But the exigencies of the situation demand nothing less. There are moments in the history of every nation when it must advance on a great many fronts at the same time. The task before us is not merely one of raising resources for the immediate needs of the Plan. We have also to attempt at the same time a rationalisation of the tax structure so that it can sustain a mounting crescendo of developmental effort in the years to come. I am one of those who also believe that the greater advances towards economic equality and positive social improvement are made in difficult times when the conscience and the solidarity of a people are raised to the highest pitch. This I believe is one of the chief lessons of the second world war. Sacrifice on a nation-wide scale and injustice or excessive inequality go ill together. And that is why I have endeavoured in the present budget to snatch from the needs of the moment an opportunity for imparting a new turn to our tax structure towards greater efficiency and equity. A heavy responsibility rests on us all at this juncture, and I have presented to the House an approach in terms of policies and of proposals which is to the best of my judgment appropriate to this responsibility. I hope when the time comes for someone to judge whether we rose to the occasion or not, we shall have to our credit a record worthy of this House and of the nation.

SUMMARY OF FINAL ESTIMATES

(In lakhs of Rs.)

REVENUE	Budget 1956-57	Revised 1956-57	Budget 1957-58
Customs	150,00	171,00	162,00 +6,00*
Union Excise Duties	170,35	188,73	209,43 +49,00*
Corporation Tax	28,24	48,24	50,50 +4,25*
Taxes on Income other than Corporation Tax	86,35	82,61	85,96 +2,75*
Estate Duty	18	11	9
Taxes on Wealth	..	..	15,00*
Opium	2,10	2,24	2,50
Interest	5,49	5,24	4,90
Civil Administration	11,05	15,49	43,21
Currency and Mint	23,67	24,48	36,02
Civil Works	2,39	2,70	2,95
Other Sources of Revenue	14,39	19,32	27,65
Posts & Telegraphs—Net contribution to general revenues	1,03	5,30	3,09 +85*
Railways—Net contribution to general revenues	6,57	6,03	6,67
TOTAL REVENUE	527,39	571,49	634,97 +77,85*

EXPENDITURE	Budget 1956-57	Revised 1956-57	Budget 1957-58
Direct Demands on Revenue	37,15	37,92	41,80
Irrigation	5	8	10
Debt Services	35,50	38,21	35,00
Civil Administration	135,91	133,04	191,02
Currency & Mint	3,76	5,02	6,72
Civil Works & Miscellaneous Public Improvements	15,90	14,54	15,93
Pensions	8,84	8,98	9,17
Miscellaneous :			
Expenditure on Displaced Persons	21,42	21,86	22,50
Other Expenditure	30,23	28,32	44,05
Grants to States etc.	38,00	29,60	25,23
Extraordinary Items	14,70	12,43	23,86
Defence Services (net)	203,97	202,95	252,71
TOTAL EXPENDITURE	545,43	533,55	668,09
Surplus (+) / Deficit (—)	(—)18,04	(+)37,94	(—)33,12 (+)77,85*

*Effect of budget proposals.

GOVERNMENT OF INDIA

BUDGET

of the

CENTRAL GOVERNMENT

for

1957-58

(As laid before Parliament, 1957)

MINISTRY OF FINANCE :	H. M. PATEL,
New Delhi, the 15th May, 1957	*Principal Secretary.*

CONTENTS

I.—GENERAL STATEMENT OF THE REVENUE AND

(In thousands of Rupees)

Revenue	For details, *vide* Statement	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
I.—CONSOLIDATED FUND OF INDIA					
REVENUE—					
Principal Heads of Revenue—					
Customs	A	1,66,69,72	1,50,00,000	1,71,00,00	1,62,00,00 +6,00,00*
Union Excise Duties	,,	1,45,25,21	1,70,35,00	1,88,73,00	2,09,43,00 +49,00,00*
Corporation Tax	,,	37,04,32	48,24,00	48,24,00	50,50,00 +4,25,00*
Taxes on Income other than Corporation Tax and Estate Duty	,,	76,10,97	86,35,00	82,61,00	85,96,00 +2,75,00*
Estate Duty	,,	—5,43	17,57	11,00	9,00
Taxes on Wealth	,,	..	..	..	15,00,00*
Taxes on Railway Fares and Freight	,,	..	..	..	..
Opium	,,	2,08,67	2,10,00	2,24,00	2,50,00
Other Heads	,,	3,89,50	3,41,54	5,74,98	9,25,34
TOTAL—PRINCIPAL HEADS		4,31,11,96	4,60,63,11	4,98,67,98	5,19,73,34 +77,00,00*
Contributions from Railways	,,	5,80,09	6,56,72	6,03,26	6,67,38
Irrigation : Net Receipts	,,	—51	5	54	1,66
Posts and Telegraphs: (Net) (a)	,,	3,47,31	1,59,54	5,29,60	3,08,76 +85,00*
Debt Services	,,	2,83,88	5,48,98	5,24,22	4,90,25
Civil Administration	,,	14,45,31	11,06,07	15,49,42	43,20,84
Currency and Mint	,,	23,08,65	23,67,47	24,47,76	36,20,31
Civil Works and Miscellaneous Public Improvements	,,	2,63,48	2,41,18	2,69,12	2,93,14
Electricity Schemes	,,	2,34	—1,75	71	1,91
Miscellaneous	,,	20,72,56	15,44,37	13,05,89	7,81,02
Contributions and Miscellaneous Adjustments between Union and State Governments	,,	6,23	..	3,63	2,90
Extraordinary Items	,,	11,25	53,30	46,37	10,53,62
TOTAL—REVENUE		5,04,32,55	5,27,39,04	5,71,48,61	6,34,97,13 +77,85,00*
EXCESS OF EXPENDITURE OVER REVENUE OR DEFICIT		..	18,04,28	..	..
TOTAL		5,04,32,55	5,45,43,32	5,71,48,61	7,12,82,13

*Effect of Budget proposals.

(*a*) Figures shown net; the expenditure shown in Statement B has been taken in reduction of the receipts shown in Statement A.

NOTE.—The accounts for 1955-56 have not been finally closed and the actuals given here are only provisional.

II.—GENERAL STATEMENT OF THE RECEIPTS

(In thousands of Rupees)

RECEIPTS	For details *vide* Statement	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
I.—CONSOLIDATED FUND OF INDIA					
Revenue Surplus (as shown in Part I) . .		40,45,20	..	37,93,76	44,73,17
Capital Accounts outside the Revenue Account .	C	..	..	..	..
Permanent Debt (net)	"	34,50,46	1,35,53,75	1,05,89 29	1,71,99,09
Floating Debt (net)	"	1,23,38,00	3,55,85,00	2,70,00,00	2,75,00,00
Loans and Advances by the Central Government (net) . .	"	..	..	..	..
Inter-State Debt Settlements (net) . .	"	9,88	..	..	..
TOTAL—I.—CONSOLIDATED FUND OF INDIA		1,98,43,54	4,91,38,75	4,13,83,05	4,91,72,26
II. —CONTINGENCY FUND OF INDIA	C	..	..	..	..
III.—PUBLIC ACCOUNT					
Unfunded Debt (net) .	"	82,99,03	89,17,94	82,75,56	98,42,41
Depreciation and other Reserve Funds (net) .	"	7,94,21	5,30,19	11,76,57	85,07
Appropriation for Reduction or Avoidance of Debt (net) . .	"	5,00,00	5,00,00	5,00,00	5,00,00
Other Deposits and Advances (net) . .	"	54,40,91	72,41,76	1,00,02,17	2,01,63,42
Remittances (net) . .	"	..	..	7,79,52	..
Transfer of Cash between England and India (net)	"	..	..	..	..
TOTAL III—PUBLIC ACCOUNT . .	"	1,50,34,15	1,71,89,89	2,07,33,82	3,05,90,90
TOTAL RECEIPTS		3,48,77,69	6,63,28,64	6,21,16,87	7,97,63,16
OPENING BALANCE . .	C	32,22,95	50,10,21	—4,26,41	50,11,69
TOTAL		3,81,00,64	7,13,38,85	6,16,90,46	8,47,74,85

AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT

(In thousands of Rupees)

DISBURSEMENTS	For details, see Statement	Accounts, 1955-56	Budget Estimate 1956-57	Revised Estimate 1956-57	Budget Estimate, 1956-57
I.—CONSOLIDATED FUND OF INDIA					
Revenue Deficit (as shown in Part I) .		..	18,04,28	.	..
Capital Accounts not met from Revenue . .	C	1,27,35,80	3,10,74,44	5,13,68,42	5,50,57,03
Permanent Debt (net)	,,	.	..	..	
Floating Debt (net)	,,	.	..		
Loans and Advances by the Central Government (net) .	,,	2,47,56,[illegible]	3,28,20,[illegible]0	2,50,02,8[illegible]	2,44,05,28
Inter-State Settlement (net) .	,,		6[illegible]4	3,07,49	1,45,40
TOTAL I.—CONSOLIDATED FUND OF INDIA		3,74,91,97	6,63,05,82	5,66,78,77	7,96,67,71
III.—PUBLIC ACCOUNT					
Unfunded Debt (net)	C	..	..	..	
Depreciation and other Reserve Funds (net)	,,		..		
Appropriation for Reduction or Avoidance of Debt (net) .	,,				
Other Deposits and Advances (net)	,,				
Remittances (net)	,,	9,02,24	18,10		1,02,07
Transfer of Cash between England and India (net)	,,	1,32,84			
TOTAL III.—PUBLIC ACCOUNT		10,35,08	18,10		1,02,70
TOTAL—DISBURSEMENTS		3,85,27,05	6,63,23,92	5,66,78,77	7,97,70,41
CLOSING BALANCE . .	C	- -4,26,41	50,14,93	50,11,69	50,04,44
TOTAL . .		3,81,00,64	7,13,38,85	6,16,90,46	8,47,74,85

A.—Statement of the Revenue of the Central Government

[In thousands of Rupees.]

Heads of Revenue	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase (+) Decrease (—) as compared with Budget, 1956-57	Budget Estimate, 1957-58	Increase (+) Decrease (—) as compared with Revised, 1956-57
I.—CONSOLIDATED FUND OF INDIA						
PRINCIPAL HEADS OF REVENUE—						
I.—Customs . .	1,66,69,72	1,50,00,00	1,71,00,00	+21,00,00	1,68,00,00	—3,00,00
II.—Union Excise Duties . .	1,45,25,21	1,70,35,00	1,88,73,00	+18,38,00	2,58,43,00	+69,70,00
III.—Corporation Tax	37,04,32	48,24,00	48,24,00	.	54,75,00	+6,51,00
IV.—Taxes on Income other than Corporation Tax and Estate Duty .	76,19,07	86,35,00	82,61,00	—3,74,00	88,71,00	+6,10,00
V.—Estate Duty .	—5,43	17,57	11,00	—6,57	9,00	—2,00
V-A. Taxes on Wealth		..			15,00,00	+15,00,00
V-B. Taxes on Railway Fares and Freight.	..	.		.	..	
VI.—Opium . .	2,0[illegible],67	2,10,00	2,24,00	+14,00	2,50,00	+26,00
VII.—Land Revenue	87,61	46,28	50,83	+4,55	58,31	+7,48
VIII.—State Excise Duties . .	7,10	5,70	59,22	53,52	1,39,33	80,11
IX.—Stamps . .	1,69,09	1,65,20	1,95,64	+30,44	2,41,27	+45,63
X.—Forest . .	99,53	1,00,33	1,68,26	+67,93	2,23,42	+55,16
XI.—Registration .	2,51	1,99	5,44	+3,45	8,91	+347
XII.—Taxes on Vehicles . .	5,16	5,14	13,64	+8,50	30,72	+17,08
XIII.—Other Taxes and Duties . .	18,50	16,90	81,95		2,23,38	+1,41,43
TOTAL .	4,31,11,96	4,60,63,11	4,98,66,98	+38,04,87	5,96,73.34	+98,05,36
IRRIGATION—						
XVII.—Irrigation, Navigation, Embankment and Drainage Works (Commercial) . .	74	2,34	1,31	—1,03	1,50	+19
Deduct—Working Expenses . . .	1,52	2,49	83	+1,66	..	+83
Net Receipts .	—78	—15	48	+63		+1,02
XVIII.—Irrigation, Navigation, Embankment and Drainage Works (Non-Commercial) .	27	20	16	—4	16	
TOTAL	—51	5	64	59	1,66	+1,02
POSTS AND TELEGRAPHS						
XIX.—Posts and Telegraphs—Gross Receipts . . .	50,67,38	52,49,00	56,11,00	+3,62,00	62,07,00	+5,96,00
Deduct—Working Expenses . . .	45,02,06	48,32,13	48,32,30	—17	55,36,01	—7,03,71
Net Receipts	5,65,32	4,16,87	7,78,70	+3,61,83	6,70,99	—1,07,71
DEBT SERVICES						
XX.—Interest .	2,83,88	5,48,98	5,24,22	—24,76	4,90,25	—33,97
Carried over .	4,39,60,65	4 70,29,01	5,11,71,54	+41,42,53	6,08,36,24	+96,64,70

A.—Statement of the Revenue of the Central Government—*contd.*

(In thousands of Rupees)

Heads of Revenue	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase (+) Decrease (—) as compared with Budget, 1956-57	Budget Estimate, 1957-58	Increase (+) Decrease (—) as compared with Revised, 1956-57
I.—CONSOLIDATED FUND OF INDIA—(*contd.*)						
Brought forward	4,39,60,65	4,70,29,01	5,11,71,54	+41,42,53	6,08,36,24	+96,74,70
CIVIL ADMINISTRATION :—						
XXI.—Administration of Justice	6,64	5,92	8,69	+2,77	8,60	—9
XXII.—Jails and Convict Settlements	28	40	61	+21	1,21	+60
XXIII.—Police	25,37	12,51	23,52	+11,01	23,27	—25
XXIV.—Ports and Pilotage	20,07	41,30	37,56	—3,74	48,79	+11,23
XXV.—Lighthouses & Lightships	38,56	37,19	42,50	+5,31	43,00	+50
XXVI.—Education	30,71	13,57	33,58	+20,01	36,21	+2,63
XXVII.—Medical	17,16	20,58	26,50	+5,92	30,56	+4,06
XXVIII.—Public Health	20,04	8,97	20,16	+11,19	13,48	—6,68
XXIX.—Agriculture	2,33,35	49,76	54,55	+4,79	67,57	+13,02
XXIX.-A-Rural Development	9				..	..
XXX.—Veterinary	15,22	11,01	15,22	+4,21	19,09	+3,87
XXXI.—Co-operation	1	2	10	+8	20	+10
XXXII.—Industries & Supplies—						
Gross Receipts	10,48,46	9,81,97	9,10,78	—71,19	34,52,55	+25,41,77
Deduct—						
Working Expenses	*3,93,02*	*4,44,19*	*1,94,83*	+2,49,36	..	+1,94,83
Net Receipts	6,55,44	5,37,78	7,15,95	+1,78,17	34,52,55	+27,36,60
XXXIII.—Aviation	80,68	69,52	88,48	+18,96	84,01	—4,47
XXXIV.—Broadcasting	1,58,95	1,47,02	1,49,10	+2,08	1,57,48	+8,38
XXXVI.—Miscellaneous Departments	1,33,17	1,50,52	3,32,91	+1,82,39	3,34,82	+1,91
TOTAL	14,45,31	11,06,07	15,49,43	+4,43,36	43,20,84	+27,71,41
CURRENCY AND MINT—						
XXXVII.—Currency	21,62,21	21,88,98	21,68,71	—20,27	32,93,51	+11,24,80
XXXVIII.—Mint	1,46,44	1,78,49	2,79,05	+1,00,56	3,08,80	+29,75
TOTAL	23,08,65	23,67,47	24,47,76	+80,29	36,02,31	+11,54,55
CIVIL WORKS, ETC.—						
XXXIX.—Civil Works	2,61,89	2,40,18	2,67,71	+27,53	2,91,55	+23,84
XL. A—Receipts from Multi-purpose River Schemes	1,59	1,00	1,41	+41	1,59	+18
TOTAL	2,63,48	2,41,18	2,69,12	+27,94	2,93,14	+24,02
ELECTRICITY SCHEMES—						
XLI.—Receipts from Electricity Schemes—						
Gross Receipts	8,55	9,74	9,06	—68	9,61	+55
Deduct—						
Working Expenses	*6,21*	*11,49*	*8,35*	+3,14	*7,70*	+65
Net Receipts	2,34	—1,75	71	+2,46	1,91	+1,20
Carried over	4,79,80,43	5,07,41,98	5,54,38,56	+46,96,58	6,90,54,44	+1,36,15,88

A.—Statement of the Revenue of the Central Government—*concld.*

[In thousands of Rupees]

Heads of Revenue	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase (+) Decrease(—) as compared with Budget, 1956-57	Budget Estimate, 1957-58	Increase (+) Decrease(—) as compared with Revised, 1956-57
I.—CONSOLIDATED FUND OF INDIA—(*contd.*)						
Brought forward	4,79,80,43	5,07,41,98	5,54,38,56	+46,96,58	6,90,54,44	+1,36,15,88
MISCELLANEOUS—						
XLIV.—Receipts in aid of Superannuation	43,32	72,16	44,59	—27,57	73,10	+28,51
XLV.—Stationery and Printing	33,35	32,86	38,72	+5,86	36,48	—2,24
XLV-A.—Contributions from Railways	5,80,09	6,56,72	6,03,26	—53,46	6,67,38	+64,12
XLVI.—Miscellaneous	19,94,64	14,33,93	12,14,42	—2,19,51	6,60,60	—5,53,82
XLVI.-A—Receipts from Road and Water Transport Schemes—Gross Receipts	6,76	15,07	30,68	+15,61	57,05	+26,37
Deduct—Working Expenses	*5,51*	*9,65*	*22,52*	—12,87	*46,21*	—23,69
Net Receipts	1,25	5,42	8,16	+2,74	10,84	+2,68
TOTAL	26,52,65	22,01,09	19,09,15	—2,91,94	14,48,40	—4,60,75
DEFENCE SERVICES—						
XLVII.—Defence Receipts—Effective	15,83,69	14,74,05	17,35,77	+2,61,72	13,39,53	—3,96,24
XLVIII.—Defence Receipts—Non-effective	30,60	9,83	9,37	—46	7,72	—1,65
TOTAL	16,14,29	14,83,88	17,45,14	+2,61,26	13,47,25	—3,97,89
CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS BETWEEN UNION AND STATE GOVERNMENTS—						
L.—Miscellaneous Adjustments between Union and State Governments	6,23	..	3,63	+3,63	2,90	—73
EXTRAORDINARY ITEMS—						
LI.—Extraordinary Receipts	83	53,30	46,24	—7,06	10,53,50	+10,07,26
LI-A.—Receipts on account of Community Development Projects, National Extension Service and Local Development Works	2	..	13	+13	12	—1
LI-B.—Civil Defence	6,80	..	..	..	..	..
LI-C—Pre-partition Receipts	3,60	..	..	..	..	..
TOTAL	11,25	53,30	46,37	—6,93	10,53,62	+10,07,25
RAILWAY REVENUES AS PER RAILWAY BUDGET	58,11,78	75,74,35	76,08,97	+34,62	88,89,65	+12,80,68
TOTAL—REVENUE	5,80,76,63	6,20,54,60	6,67,51,82	+46,97,22	8,17,96,26	+1,50,44,44
Excess of Expenditure over Revenue or Deficit	..	18,04,28	..	..		..

B.—Statement of the Expenditure met from Revenue of the Central Government

[In thousands of Rupees]

Heads of Expenditure	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase (+) Decrease(—) as compared with Budget, 1956-57	Budget Estimate, 1957-58	Increase (+) Decrease(—) as compared with Revised, 1956-57
I.—CONSOLIDATED FUND OF INDIA—						
DIRECT DEMANDS ON THE REVENUE—						
1.—Customs	3,71,66	3,43,32	3,03,17	—40,15	4,02,57	+99,40
2.—Union Excise Duties	19,61,96	21,95,27	23,60,56	+1,65,29	24,57,13	+96,57
3.—Corporation Tax	} 3,80,92	1,01,38	1,11,07	+9,69	1,17,55	+6,48
4.—Taxes on Income other than Corporation Tax and Estate Duty.		3,34,59	3,17,23	—17,36	3,42,40	+25,17
5.—Estate Duty	..	11,12	9,44	—1,68	8,84	—60
6.—Opium	1,55,24	1,66,63	1,64,52	—2,11	2,11,07	+46,55
7.—Land Revenue	28,22	33,83	26,75	—7,08	35,83	+9,08
8.—State Excise Duties	1,64	1,18	22,15	+20,97	45,57	+23,42
9.—Stamps	1,61,11	1,50,52	1,55,31	+4,79	1,69,77	+14,46
10.—Forest	1,67,69	3,74,76	2,97,51	—77,25	3,56,63	+59,12
11.—Registration	90	1,03	1,67	+64	1,76	+9
12.—Taxes on Vehicles	16	33	16,66	+16,33	20,34	+3,68
13.—Other Taxes and Duties	80	92	5,59	+4,67	10,47	+4,88
TOTAL	32,30,30	37,14,88	37,91,63	+76,75	41,79,93	+3,88,30
REVENUE ACCOUNT OF IRRIGATION WORKS—						
17.—Irrigation, Navigation, Embankment and Drainage Works (Commercial)	..	..	..	..	..	..
18.—Irrigation, Navigation, Embankment and Drainage Works (Non-Commercial)	1,66	4,76	7,65	+2,89	10,21	+2,56
TOTAL	1,66	4,76	7,65	+2,89	10,21	+2,56
CAPITAL ACCOUNTS OF IRRIGATION, ETC., WORKS MET FROM REVENUE—						
19.—Construction of Irrigation Works financed from ordinary Revenues	4,00	..	..	..	..	..
POSTS AND TELEGRAPHS REVENUE ACCOUNT—						
20.—Posts and Telegraphs—Interest on Debt	2,18,01	2,57,33	2,49,10	—8,23	2,77,23	+28,13
Carried over	34,53,97	39,76,97	40,48,38	+71,41	44,67,37	+4,18,99

B.—Statement of the Expenditure met from Revenue of the Central Government—*contd*.

[In thousands of Rupees]

Heads of Expenditure	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase (+) Decrease(—) as compared with Budget, 1956-57	Budget Esimate, 1957-58	Increase (+) Decrease(—) as compared with Revised, 1956-57
I.—CONSOLIDATED FUND OF INDIA—(*contd*).						
Brought forward	34,53,97	39,76,97	40,48,38	+71,41	44,67,37	+4,18,99
DEBT SERVICES—						
22.—Interest on Debt and other Obligations . . .	91,02,73	1,03,55,94	1,01,76,39	—1,79,55	1,14,33,05	+12,56,66
Deduct—Interest transferred to—						
Railways . .	*30,31,77*	*33,09,72*	*31,65,89*	+1,43,83	*37,11,35*	—5,45,46
Irrigation . .	*91*	*90*	*90*	..	*90*	..
Posts and Telegraphs	*2,20,53*	*2,58,12*	*2,50,29*	+7,83	*2,76,54*	—26,25
State Governments	*17,88,51*	*33,85,93*	*30,87,50*	+2,98,43	*40,97,67*	—10,10,17
Commuted Value of Pensions . .	*25,25*	*23,54*	*23,98*	—44	*22,44*	+1,54
Other heads . .	*2,21,49*	*3,27,73*	*3,26,66*	+1,07	*3,24,15*	+2,51
TOTAL TRANSFERS	*52,88,46*	*73,05,94*	*68,55,22*	+4,50,72	*84,33,05*	—15,77,83
Net .	38,14,27	30,50,00	33,21,17	+2,71,17	30,00,00	—3,21,17
23.—Appropriation for Reduction or Avoidance of Debt. .	5,00,00	5,00,00	5,00,00	..	5,00,00	..
TOTAL .	43,14,27	35,50,00	38,21,17	+2,71,17	35,00,00	—3,21,17
CIVIL ADMINISTRATION						
25.—General Administration . .	12,70,16	14,28,32	14,41,64	+13,32	15,67,46	+1,25,82
26.—Audit . .	5,44,57	6,04,12	6,17,43	+13,31	6,61,84	+44,41
27.—Administration of Justice . .	20,64	22,20	30,62	+8,42	38,64	+8,02
28.—Jails and Convict Settlements . .	3,98	4,51	8,85	+ 4,34	13,30	+4,45
29.—Police . .	4,16,59	5,38,36	6,01,05	+62,69	7,95,10	+1,94,05
30.—Ports and Pilotage	89,52	1,14,51	95,51	—19,00	1,05,28	+9,77
31.—Lighthouses and Lightships . .	35,49	37,19	42,50	+5,31	43,00	+50
34.—Tribal Areas .	5,00,79	6,11,21	5,05,79	—1,05,42	5,40,02	+34,23
35.—External Affairs	5,99,22	6,31,36	7,24,58	+93,22	7,12,83	—11,75
36.—Scientific Departments . . .	8,92,01	14,59,21	12,27,09	—2,32,12	16,42,93	+4,15,84
37.—Education .	14,23,28	21,62,00	21,95,58	+33,58	29,12,41	+7,16,83
38.—Medical . .	1,46,04	4,15,96	3,71,79	—44,17	5,01,02	+1,29,23
39.—Public Health .	2,35,61	5,29,07	4,45,23	—83,84	5,77,91	+1,32,68
40.—Agriculture .	6,56,59	12,60,55	9,50,76	—3,09,79	13,51,12	+4,00,36
40-A.—Rural Development . .	29,66	52,60	51,96	—64	75,25	+23,29
41.—Veterinary .	51,04	1,22,62	1,23,32	+70	1,50,31	+26,99
42.—Co-operation .	5,98	1,03,30	1,09,74	+6,44	1,55,91	+46,17
43.—Industries and Supplies . .	13,75,82	18,10,78	21,61,56	+3,50,78	53,16,25	+31,54,69
44.—Aviation . .	2,53,25	2,92,83	3,13,35	20,52	3,05,22	—8,13
45.—Broadcasting .	2,68,37	3,07,25	3,07,07	—18	3,58,39	+51,32
47.—Miscellaneous Departments .	5,88,90	10,83,57	10,38,76	—44,81	12,77,66	+2,38,90
TOTAL .	94,07,51	1,35,91,52	1,33,64,18	—2,27,34	1,91,01,85	+57,37,67
Carried over	1,71,75,75	2,11,18,49	2,12,33,73	+1,15,24	2,70,69,22	+58,35,49

B.—Statement of the Expenditure met from Revenue of the Central Government—*contd.*

[In thousands of Rupees]

Heads of Expenditure	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase (+) Decrease(—) as compared with Budget, 1956-57	Budget Estimate, 1957-58	Increase (+) Decrease(—) as compared with Revised, 1956-57
I.—CONSOLIDATED FUND OF INDIA—(*contd.*)						
Brought forward	1,71,75,75	2,11,18,49	2,12,33,73	+1,15,24	2,70,69,22	+58,35,49
CURRENCY AND MINT—						
48.—Currency . .	2,32,22	2,43,06	2,61,56	+18,50	3,59,71	+98,15
49.—Mint . .	1,01,44	1,33,49	2,40,13	+1,06,64	3,12,08	+71,95
TOTAL .	3,33,66	3,76,55	5,01,69	+1,25,14	6,71,79	+1,70,10
CIVIL WORKS ETC.—						
50.—Civil Works .	11,65,95	14,96,78	13,83,00	—1,13,78	14,97,71	+1,14,71
51.-B.—Other Revenue Expenditure connected with Multipurpose River Schemes . .	48,07	93,46	68,65	—24,81	90,58	+21,93
TOTAL .	12,14,02	15,90,24	14,51,65	—1,38,59	15,88,29	+1,36,64
ELECTRICITY SCHEMES—						
52-A.—Other Revenue Expenditure connected with Electricity Schemes .	..	..	2,12	+2,12	4,95	+2,83
CAPITAL ACCOUNT OF ELECTRICITY SCHEMES WITHIN REVENUE ACCOUNT—						
53.—Capital Outlay on Electricity Schemes	..	..	..	..	..	..
TOTAL .	..	..	2,12	+2,12	4,95	+2,83
MISCELLANEOUS—						
54.—Famine . .	13	5	4,71	+4,66	25	—4,46
54-A.—Territorial and Political Pensions .	26,07	31,71	31,37	—34	27,95	—3,42
54-B.—Privy Purses and Allowances of Indian Rulers .	5,29,59	5,32,66	5,35,37	+2,71	5,54,48	+19,11
55.—Superannuation Allowances and Pensions . .	3,41,55	3,18,89	3,30,89	+12,00	3,35,11	+4,22
56.—Stationery and Printing . .	2,43,29	2,27,02	1,85,03	—41,99	2,70,36	+85,33
57.—Miscellaneous .	48,81,99	49,38,52	48,28,49	—1,10,03	63,84,60	+15,56,11
TOTAL .	60,22,62	60,48,85	59,15,86	—1,32,99	75,72,75	+16,59,89
DEFENCE SERVICES—						
58.—Defence Services Effective—Army .	1,31,89,68	1,42,52,74	1,50,15,77	+7,63,03	1,66,56,61	+16,40,84
59.—Defence Services Effective—Navy .	12,01,80	14,27,47	13,44,51	—82,96	15,97,81	+2,53,50
60.—Defence Services Effective—Air Force	30,05,64	48,16,99	42,96,76	—5,20,23	69,81,49	+26,84,73
60-A.—Defence Services—Non-Effective	14,40,37	13,83,23	13,83,23	..	13,81,89	—1,34
TOTAL .	88,37,49	2,18,80,43	2,20,40,27	+1,59,84	2,66,17,80	+45,77,53
Carried over .	4,35,83,54	5,10,14,56	5,11,45,32	+1,30,76	6,35,24,80	+1,23,79,48

B.—Statement of the Expenditure met from Revenue of the Central Government—*concld.*

[In thousands of Rupees]

Heads of Expenditure	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase (+) Decrease(—) as compared with Budget, 1956-57	Budget Estimate, 1957-58	Increase (+) Decrease(—) as compared with Revised, 1956-57
I.—CONSOLIDATED FUND OF INDIA—(*contd.*)						
Brought forward	4,35,83,54	5,10,14,56	5,11,45,32	+1,30,76	6,35,24,80	+1,23,79,48
CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS BETWEEN UNION AND STATE GOVERNMENTS .						
61.—Grants-in-aid to States . . .	35,80,26	37,95,00	29,53,48	—8,41,52	25,16,66	—4,36,82
62 —Miscellaneous Adjustments between Union and State Governments .	6,95	4,73	6,73	+2,00	6,10	—63
TOTAL .	35,87,21	37,99,73	29,60,21	—8,39,52	25,22,76	—4,37,45
EXTRAORDINARY ITEMS—						
63.—Extraordinary Charges . .	..	..	..	..	10,00,00	+10,00,00
63-B.—Community Development Projects, National Extension Service and Local Development Works . .	9,69,50	13,63,08	11,14,60	—2,48,48	13,14,88	+2,00,28
64-B.—Civil Defence	1,06	1,12	99	—13	1,00	+1
64-C.—Pre-partition Payments . .	78,34	1,06,04	1,27,97	+21,93	70,00	—57,97
TOTAL	10,48,90	14,70,24	12,43,56	—2,26,68	23,85,88	+11,42,32
RAILWAY EXPENDITURE AS PER RAILWAY BUDGET . .	58,11,78	75,74,35	76,08,97	+34,62	88,89,65	+12,80,68
TOTAL—EXPENDITURE MET FROM REVENUE	5,40,31,43	6,38,58,88	6,29,58,06	—9,00,82	7,73,23,09	+1,43,65,03
Excess of Revenue over Expenditure Surplus	40,45,20	..	37,93,76	..	44,73,17	..

C.—Statement of the Receipts and Disbursements of the Central Government

[In thousands of Rupees]

RECEIPTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
I.—CONSOLIDATED FUND OF INDIA				
Excess of Revenue over Expenditure (from Statement B) .	40,45,20	..	37,39,76	44,73,17
CAPITAL ACCOUNTS OUTSIDE THE REVENUE ACCOUNT—				
LIV.—Sale proceeds of American and Lease-Land Surpluses .	..		..	..
PUBLIC DEBT—				
A.—Debt raised in India—				
I.—PERMANENT DEBT—				
New Loan	..	1,00,00,00	..	1,00 00,00
3½ per cent Bonds 1962 . . .	..	..	57,27,17	..
3½ per cent National Plan Bonds, 1967 (Third Series.)	..		33,82,16	
3¾ per cent Loan, 1974 . . .	..	..	66,64,15	
15-year Annuity Certificates . .	45,25	60,00	46,50	80,00
Other Loans	1,03,67,92	..	..	..
TOTAL .	1,04,13,17	1,00,60,00	1,58,19,98	1,00,80,00
II.—FLOATING DEBT—				
Treasury Bills	20,49,59,25	33,22,84,00	27,68,13,00	37,35,00,00
Other Floating Loans . . .	..	..	..	..
TOTAL .	20,49,59,25	33,22,84,00	27,68,13,00	37,35,00,00
B.—*Debt raised in England*— Permanent Debt . . .	..	..	..	
C—Other Debt	2,66,63	39,50,00	31,50,00	1,09,93,00
TOTAL—PUBLIC DEBT . .	21,56,39,05	34,62,94,00	29,57,82,98	39,45,730
LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT—				
Advances to State Governments .	25,21,97	27,26,05	35,38,27	44,11,74
Other Loans and Advances .	8,10,39	14,79,12	11,33,03	11,79,70
TOTAL .	33,32,36	42,05,17	46,71,30	55,91,44
INTER-STATE SETTLEMENT—				
India and Pakistan . . .	..	..	..	..
India and Burma . . .	78,22	..	..	..
India and France . . .	..	..	..	..
Centre and Rajasthan . .	..	..	..	..
Centre and Mysore . . .	..	..	..	..
Centre and Kerala . . .	..	..	..	..
Centre and Hyderabad . .	..	..	..	..
TOTAL .	78,22	..	..	..
TOTAL I.—CONSOLIDATED FUND OF INDIA—RECEIPTS.	22,30,94,83	35,04,99,17	30,42,48,04	40,46,37,61

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
I.—CONSOLIDATED FUND OF INDIA—*contd.*				
Excess of Expenditure over Revenue (from Statement A) . . .	..	18,04,28	..	..
CAPITAL ACCOUNTS NOT MET FROM REVENUE—				
Railway Capital (as shown in Railway Budget) . .	67,51,76	1,13,42,88	1,30,80,71	1,24,17,10
Posts & Telegraphs . . .	9,03,25	9,74,73	9,84,80	9,85,00
Forest	11,64	33,28	17,59	18,31
Security Printing Press . .	51	4,85	2,10	7,61
Irrigation	11,80	17,50	20,14	17,22
Agricutural Improvement and Research	32,27	3,25,90	3,21,98	2,41,89
Industrial Development . .	11,06,88	79,60,52	79,90,84	1,85,92,38
Civil Aviation	1,95,07	3,37,25	3,18,25	2,87,61
Broadcasting	1,16,49	1,55,00	1,40,00	1,65,00
Ports	3,95,95	5,76,55	5,41,04	5,29,02
Currency and coinage. . .	8,47,16	78,64	1,09,34	2,85
Mint	27,68	37,52	31,20	72,00
Delhi Capital Outaly . .	5,33,00	10,06,60	7,94,19	7,38,42
Multi-purpose River Schemes .	2,86,47	2,37,11	2,37,11	3,71,57
Civil Works	19,21,68	18,23,70	18.02,73	11,36,58
Capital Outlay on Electricity Schemes	18,02	76,67	54,91	37,50
Capital Outlay on Other Works	..	..	..	3,52,00
Road and Water Transport Schemes	1,14	4,50	7,39	13,00
Capital Outlay on Shipping, Tankers, etc	..	1,35,00	20,00	1,63,75
Payments of Commuted Value of Pensions	—42,02	—19,01	—31,27	—31,35
Capital Outlay on Sterling Pensions	—8,58,86	—8,81,76	—9,01,22	—8,85,24
Compensation to Displaced Persons	3,68,24	26,23,72	21,18,54	19,90,54
Payments to Retrenched Personnel	—1,49	2,90	—86	—40
Transfer of Sale proceeds of American Commodities . .	..	..	...	95,30,00
Defence Capital Outlay . .	17,59,16	26,30,00	29,35,67	23,54,50
Shemes of Government Trading	—29,58,81	9,51,35	29,95,26	49,35,27
Capital Outlay on Development Grants	12,08,90	12,39,04	12,77,98	10,14,90
TOTAL .	1,27,35,89	3,16,74,44	3,13,68.42	5,50,57,03
PUBLIC DEBT—				
A.—Debts raised in India—				
I.—PERMANENT DEBT—				
15-year Annuity Certificates .	3,77	11,00	6,50	10,00
Other Loans	52,04,35	57,33	80,05,00	31,75,00
CARRIED OVER	69,08,12	68,33	80,11,50	31,85,00
CARRIED OVER .	1,27,35,89	3,34,78,72	3,13,68,42	5,50,57,03

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
I.—CONSOLIDATED FUND OF INDIA—*concld.*				
Brought forward .	1,27,35,89	3,34,78,72	3,13,68,42	5,50,57,03
Brought forward .	69,08,12	68,33	80,11,50	31,85,00
II.—FLOATING DEBT—				
Treasury Bills	19,26,21,25	29,66,99,00	24,98,13,00	34,60,00,00
Other Floating Loans . . .	..	..	..	..
TOTAL .	19,26,21,25	29,66,99,00	24,98,13,00	34,60,00,00
B.—Debt raised in England—				
PERMANENT DEBT—				
India Stocks; Railway Debenture Stocks . .	5,23	3,38	3,59	2,58
State Railway Annuities . .	1,19,43	91,29	91,29	59,02
TOTAL .	1,24,66	94,67	94,88	61,60
C.—Other Debt	1,96,56	2,93,25	2,74,31	6,27,31
TOTAL—PUBLIC DEBT .	19,98,50,59	29,71,55,25	25,81,93,69	34,98,73,91
LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT—				
Advances to State Governments .	1,48,87,15	2,74,25,71	2,32,75,99	2,33,36,71*
Other Loans and Advances	32,01,29	96,00,16	63,98,17	67,20,01
TOTAL	2,80,88,44	3,70,25,87	2,96,74,16	3,00,56,72
Inter-State Debt Settlements—				
India and Pakistan . . .	..	..	..	..
India and Burma . . .	..	..	..	..
India and France . . .	20,94	40	39	40
Centre and Rajasthan . .	2,40	..	..	..
Centre and Mysore . . .	45,00	..	..	1,45,00
Centre and Kerala . .	..	6,00	6,00	..
Centre and Hyderabad . .	..	..	3,01,10	.
TOTAL .	68,34	6,40	3,07,49	1,45,40
TOTAL I.—CONSOLIDATED FUND OF INDIA—DISBURSEMENTS	24,07,43,26	36,76,66,24	31,95,43,76	43,51,33,06

*For the reasons explained in para 66 of the Budget Speech, this figure is less by Rs. 85 crores from the net amount appearing in the Demand for "Loans and Advances by the Central Government" for Loans to State Governments.

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
II.—CONTINGENCY FUND OF INDIA				
CONTINGENCY FUND OF INDIA—				
Appropriations from the Consolidated Fund or from any Reserve Fund . .	..	..	..	..
TOTAL II.—CONTINGENCY FUND OF INDIA—RECEIPTS	..	.	..	..

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate 1957-58
III.—PUBLIC ACCOUNT—				
UNFUNDED DEBT—				
Deposits of Service Funds	2,77	2,79	2,72	2,64
Post Office Servings Bank Deposits	1,57,42,07	1,66,20,00	1,80,40,00	1,96,35,00
Defence Savings Bank Deposits .	..	..	..	..
Post Office Cash Certificates . .	—2,95	..	..	..
Defence Savings Certificates . .	—68	..	..	..
National Savings Certificates . .	29 17,12	34,10,00	32,83,00	37,70,00
State Provident Funds . . .	37,05,46	36,61,82	38,30,99	39,20,25
Other Accounts	2,41,36	2,38,98	2,59,23	2,62,22
Ten-year Treasury Savings Deposit Certificates	4,81,30	6,00,00	4,00,00	5,30,00
Ten-year National Plan Certificates	9,86,32	12,50,00	10,54,00	12,50,00
TOTAL .	2,40,72,71	2,57,83,59	2,68,69,94	2,93,70,11
DEPOSITS AND ADVANCES—				
Depreciation and other Reserve Funds—				
(*a*) *Interest-bearing*—				
Railway Depreciation and Revenue Reserve Funds as per Railway Budget.	57,39,27	50,30,44	49,61,17	50,67,66
Railway Development Fund as shown in Railway Budget.	7,56,69	23,27,18	27,49,46	31,50,62
P. & T Renewals Reserve Fund	1,35,00	1,43,44	1,44,60	2,72,91
Telephone Development Fund	71,57	73,53	67,00	65,00
Other Reserve Funds . .	33,41	44,34	54,56	53,08
(*b*) *Non-interest bearing*—				
Other Reserve Funds . .	21,21	19,59	19,51	19,30
Appropriation for Reduction or Avoidance of Debt.	5,00,00	5,00,00	5,00,00	5,00,00
Other Deposits and Advances—				
(*a*) *Interest bearing*—				
Optional Deposits of Excess Finance Tax under the Indian Profits Act, 1942. ..	—2	..	..	..
Compulsory Deposits of Excess Profits Tax under Ordinance No. XVI of 1943.	28,69	15,00	15,00	10,00
Anticipatory Deposits made after provisional assessment of Excess Profits Tax.	—9,48	..	..	..
Deposits towards payment of Excess Profits Tax.	10	..	..	..
Deposits towards payment of Income Tax.	6,98	20,00	20,00	15,00
Advance payment of Tax under Section 18-A of the Income Tax Act.	—6,39,12	..	..	..
Deposits under Section 10(2B) of the Indian Income Tax Act .	..	..	..	30,00,00
Deposits of Trusts for Indian Princes	5,54	5,37	5,37	5,20
Other Deposits . . .	30	..	..	..
Carried over .	66,50,31	81,78,72	85,36,67	1,21,58,77
Carried over .	2,40,72,71	2,57,83,59	2,68,69,94	2,93,70,11

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
III.—PUBLIC ACCOUNT—*contd.*				
Brought forward .	2,40,72,71	2,57,83,59	2,68,69,94	2,93,70,11
Brought forward .	66,50,31	81,78,72	85,36,67	1,21,58,77
(*b*) *Non-interest bearing*—				
Silver Redemption Reserve .	..	..	..	
Central Road Fund . . .	5,26,33	6,55,86	4,88,90	4,81,45
Kutch Benevolent Fund . .	50	50	13	..
Fund for the Benefit of Cotton-growers.	8,47	41,00	25,50	26,00
Cotton Textiles Fund . .	2	..	..	..
Sugar (Temporary) Excise Fund	1,64	4,25	4,26	8,23
Reserve Fund for Protection of Sugar Industry.	15	..	..	84
Fund for Relief of Ground-nut Cultivators.	3	9	5	12
Fund for Relief of Linseed Cultivators.	..	..	..	..
Fund for Development of Hand-loom and Khadi Industry.	8,98,14	8,43,00	13,78,00	8,94,00
Special Development Fund—				
Fund from the Sale proceeds of American Loan Wheat.	2,40,27	..	..	..
Fund from the Sale proceeds of Wheat received under the Colombo Plan.	..	..	..	..
Fund from other Assistance under the Colombo Plan.	9,36,64	8,88,00	5,97,00	7,06,00
Fund from Assistance under the Indo-U.S. Technical Co-operation Agreement.	28,59,10	37,40,00	28,18,00	22,15,00
Fund from the sale proceeds of American Loan Commodities.	..	..	..	40,30,00
Fund for Assistance from Norway for Fisheries Community Development.	13,62	6,00	6,00	46,00
Fund from the sale proceeds of commodities received under P.L- 480	..	..	..	65,00,00
Coal Mines Labour Housing and General Welfare Fund	1,40,64	1,25,37	1,29,00	1,31,03
Mica Mines Labour Welfare Fund.	19,39	15,00	17,00	17,00
Coal Production Fund . .	6	1	29	1,35,39
Fund for payment of Bonus to Temporary Clerical Personnel under the Unified Scale of Pay	..	..	..	..
Iron and Steel Equalisation Fund	..	..	..	27,91,70
Workmen's Benefit Fund .	..	..	..	..
P.O. Certificate Bonus Fund .	5,64,05	8,66,90	5,29,33	4,70,44
Deposit of Local Fund .	3,81,00	5,03,93	5,15,13	4,02,89
Civil Deposits	1,60,73,78	1,69,00,15	1,67,80,38	1,62,00,41
Other Deposits	55,13,86	53,82,37	56,63,98	54,48,92
Carried over	3,48,28,00	3,81,51,15	3,75,52,62	5,26,64,19
Carried over	2,40,72,71	2,57,83,59	2,68,69,94	2,93,70,11

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
III.—PUBLIC ACCOUNT—*contd.*				
Brought forward .	2,40,72,71	2,57,83,59	2,68,69,94	2,93,70,11
Brought forward .	3,48,28,00	3,81,51,15	3,75,52,62	5,26,64,19
Account of payment in respect of provisional assessment of Excess Profits Tax.	—48	..	18,00	..
Deposit account of refundable Excess Profits Tax.	87,31	10,00	5,00	5,00
Deposit account of refundable Central Income-Tax Surcharge.	3	..	..	..
Deposit account of interest on Excess Profits Tax Deposits.	..	5,70	3,15	3,00
Deferred Pay of Indian Troops .	..	1,33,35	1,31,80	1,40,60
Post-war Reconstruction Fund .	..	..	..	..
Other Accounts . . .	8,76,55	16,07,83	7,05,52	1,00,73
Accounts with the Government of Burma.	8,12	25,20	1,45	5,95
Accounts with the Reserve Bank	12,07	1,18,57	1,04,37	94,55
Other Advances . . .	98,85,88	93,09,61	1,13,85,26	1,08,42,93
Value of One-rupee Notes issued	5,00,00	5,00,00	5,00,00	5,00,00
Purchases and Sales of Silver (net)	..	..	..	..
Sales of lease-lend Silver (net) .	..	..	..	..
Cash Balance Investment Account (net).	20,45,50	..	10,00	..
Profits on circulation of nickel, bronze and copper coins (net).	..	..	..	..
Discount Sinking Fund . .	1,17,05	1,28,63	1,28,81	1,58,89
Bonus on Loans . . .	..	..	..	..
Other Suspense Accounts (net) .	..	34,37,54	85,99,70	84,27,41
Cheques and Bills (net) . .	1,66,70	1,50,48	6,17,14	5,66,08
Departmental and Similar Accounts (net).	16,15	1,36,88	8,72,90	6,88,36
Miscellaneous	1,80,12	1,13,00	2,72,42	1,58,16
TOTAL . .	4,87,23,00	5,38,27,94	6,09,08,14	7,43,55,85
Carried Over . .	7,27,95,71	7,96,11,53	8,77,78,08	10,37,25,96

C—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1955-56	Buudget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
III.—PUBLIC ACCOUNT—*concld.*				
Brought forward	7,27,95,71	7,96,11,53	8,77,78,08	10,37,25,96
REMITTANCE —				
I —REMITTANCES WITHIN INDIA—				
Inland Money Orders	2,34,16,32	2,43,00,00	[illegible] 50,00,00	2,65,50,00
Other Remittances	1,40,14	3,76,15	13,80,50	4,10,40
Accounts between Civil and other Departments—				
Exchange Accounts between Civil and Posts and Telegraphs	42,09,97	44,90,25	37,65,95	49,89,83
Exchange Accounts between Civil and Defence Services	1,60,21,72	1,82,57,72	1,72,73,34	1,88,87,34
II.—REMITTANCES BETWEEN ENGLAND AND INDIA—				
Remittances Account between England and India—				
Purchases and Sales of Silver	..	..	..	..
Other Transactions	70,47,27	76,43,83	1,52,54,02	1,31,37,13
TOTAL	5,08,35,42	5,50,67,95	6,26,73,81	6,39,74,70
TRANSFER OF CASH BETWEEN ENGLAND AND INDIA—				
Remittances through the Reserve Bank	1,15,09,95	84,21,77	1,54,51,50	1,77,88,22
RESERVE BANK DEPOSITS—RAILWAYS	..	—92,81,42	—75,39,55	—1,00,76,77
TOTAL III.—PUBLIC ACCOUNT RECEIPTS	13,51,41,08	1[illegible] 38,19,83	15,83,63,84	17,54,12,11
TOTAL—(I+II+III)	35,82 [illegible]		46,26,11,88	58,00,49,72
OPENING BALANCE	32,22,95	50,10,21	—4,26,41	50,11,69
GRAND TOTAL	36,14,58,86	48,93,29,21	46,21,85,47	8,55,61,41

C—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
III—PUBLIC ACCOUNT—				
UNFUNDED DEBT—				
Special Loans	34	53	34	34
Deposits of Service Funds	8,33	4,62	4,40	4,40
Post Office Savings Bank Deposits	1,22,32,99	1,32,20,00	1,47,40,00	1,55,35,00
Defence Savings Bank Deposits	..	..	..	..
Post Office Cash Certificates	1,23,59	1,10,00	82,50	66,00
Defence Savings Certificates	5,29	5,00	2,50	4,00
National Savings Certificates	9,89,66	13,50,00	13,08,00	14,00,00
State Provident Funds	20,86,50	18,27,40	20,83,93	20,84,20
Other Accounts	1,65,93	1,48,10	1,88,71	1,83,76
Ten-year Treasury Savings Deposit Certificates.	74,95	1,00,00	80,00	1,00,00
Ten-Year National Plan Certificates	86,10	1,00,00	1,04,00	1,50,00
TOTAL	1,57,73,68	1,68,65,65	1,85,94,38	1,95,27,70
DEPOSITS AND ADVANCES—				
Depreciation and Other Reserve Funds—				
(*a*) *Interest bearing*—				
Railway Depreciation and Revenue Reserve Funds as per Railway Budget.	45,89,88	45,42,07	45,79,53	49,59,37
Railway Development Fund as per Railway Budget.	12,13,81	22,19,71	19 46,04	32,36,96
P.&T. Renewals Reserve Fund	98,54	1,25,00	1,15,00	1,15,00
Telephone Development Fund	27,50	65,00	40,00	75,00
Other Reserve Funds	16,57	1,39,01	1,20,45	1,37,66
(*b*) *Non-interest bearing*—				
Other Reserve Funds	16,81	20,37	18,71	19,51
Appropriation for Reduction or Avoidance of Debt— Sinking Funds	..	..	..	.
OTHER DEPOSITS AND ADVANCES—				
(*a*) *Interest bearing*—				
Optional Deposits of Excess Profits Tax under the Indian Finance Act, 1942.	1,43	..	..	
Compulsory Deposits of Excess Profits Tax under Ordinance No. XVI of 1943.	70,31	27,00	27,00	21,00
Anticipatory Deposits made after provisional assessment of Excess Profits Tax.	1,99	1,00	1,00	50
Carried over	60,36,84	71,36,16	68,47,73	85,65,00
Carried over	1,57,73,68	1,68,65,65	1,85,94,38	1,95,27,70

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
III.—PUBLIC ACCOUNT—*contd.*				
Brought forward .	1,57,73,68	1,68,65,65	1,85,94,38	1,95,27,70
Bought forward .	60,36,84	71,3 6,16	68,47,73	85,65,00
Deposits towards payment of Excess Profirs Tax.	—98	..	..	..
Deposits towards payment of Income Tax.	7,72	30,00	25,00	25,00
Deposits towards payment of Super tax	..	..	..	..
Advance payment of Tax under Section 18A of the Income Tax Act.	—6,14,06	10,00	10.00	10,00
Deposits under Section 10 (2B) of the Indian Income Tax Act . .	..	..	..	15,00,000
Deposits of Trusts for Indian Princes	..	..	..	15,00,00
(*b*) *Non-interest bearing*—				
Silver Redemption Reserve . .	7,37	22,11	22,11	22,11
Central Road Fund	..	..	..	..
Kutch Benevolent Fund . . .	4,96,36	6,68,51	6,55,56	6,32,22
Fund for the Benefit of Cotton growers	23	50	13	..
Cotton Textiles Fund . . .	2,04,9 7	63,51	55,32	54,00
Sugar (Temporary) Excise Fund .	10,23	30,64	30,75	29,78
Reserve Fund for Protection of Sugar Industry.	39,35	1,27,55	72,66	26,36
Fund for Relief of Groundnut Cultivators.	7	..	..	..
Fund for Relief of Linseed Cultivators	47	3	5	7
Fund for Development of Handloom and Khadi Industries.	21	35	36	17
	11,21,84	10,65,00	16,68,00	8 94,00
Special Development Fund—				
Fund from the Sale proceeds of American Loan Wheat.	..	..	..	..
Fund from the Sale proceeds of Wheat received under the Colombo Plan.	..	..	..	..
Fund from other Assistance under the Colombo Plan	4,85,40	5,36,16	6,37,00	7,07,00
Fund from Assistance under the Indo-U. S. Technical Co-operation Agreement.	11,76,28	22,02,96	21,63,00	21,30,00
Fund from the saleproceeds of American Loan Commodities . . .	..	..	..	..
Fund for Assistance from Norway for Fisheries Community Development.	1 2	6,00	6,00	46,00
Fund from the sale proceeds of Commodities recei ed under P.L 480	..	..	..	15,00,00
Coal Mines Labour Housing and General Welfare Fund. . . .	66,82	1,47,41	1,20,87	2,41,13
Mica Mines Labour Welfare Fund .	10,02	31.04	21,30	35,75
Coal Production Fund . . .	..	.	..	2,35,63
Fund for payment of Bonus to Temporary Clerical Personnel under the Unified Scale of pay . . .	..	..	..	..
Iron and Steel Equalisation Fund .	..	..	..	27,90,58
Workmen's Benefit Fund . .	..	60	6	54
P.O. Certificate Bonus Fund . .	31,33	28,91	35,60	40,77
Deposits of Local Funds . . .	3,55,70	4,85,19	4,46,17	3,92,16
Civil Deposits	1,64,13,31	1,68,18,37	1,69,72,06	1,62,52,70
Other Deposits	52,56,35	47,56,26	49,70,09	48,53,19
Carried over . .	3,11,19,45	3,41,67,26	3,48,59,82	4,09,84,16
Carried over .	73,68	1,68,65,65	1,85,94,38	1,95,27,70

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 57-58
III.—PUBLIC ACCOUNT—*contd.*				
Brought forward .	1,57,73,68	1,68,65,65	1,85,94,38	1,95,27,70
Brought forward .	3,11,19,45	3,41,67,26	3,48,59,82	4,09,84,16
Account of payment in respect of provisional assessment of Excess Profits Tax.	7,74	10,00	28,00	5,00
Deposit account of refundable Excess Profits Tax.	1,32,34	62,00	62,00	11,00
Deposit account of refundable Central Income-Tax Surcharge.	3	..	..	..
Deposit account of interest on Excess Profits Tax Deposits.	2	1,20	2,50	1,50
Deferred Pay of Indian Troops . .	..	50,00	72,00	72,00
Post-War Reconstruction Fund . .	..	..	1,00	3,00
Other Accounts	8,41,03	15,84,08	8,71,95	98,59
Account with the Government of Burma.	1,64	26,75	5,85	5,85
Accounts with the Reserve Bank .	4	97,37	95,46	90,09
Other Advances	89,03,30	92,73,65	1,25,34,50	1,20,07,84
Value of One-rupee Notes issued .	..	..	..	..
Purchases and Sales of Silver (net) .	1,26,67	..	..	..
Sales of lease-lend Silver (net) . .	..	..	..	..
Cash Balance Investment Account (net)	..	..	..	..
Profits on circulation of nickel, bronze and copper coins (net).	1,35,43	1,70,51	1,50,00	1,70,00
Discount Sinking Fund . . .	1,66,83	..	2,50,14	..
Bonus on Loans	9	..	..	..
Other Suspense Accounts (net) . .	3,92,39	..	..	..
Cheques and Bills (net) . . .	..	..	..	..
Departmental and Similar Accounts (net).	..	..	..	..
Miscellaneous	1,60,88	1,13,17	2,96,18	1,58,33
TOTAL .	4,19,87,88	4,55,55,99	4,92,29,40	5,36,07,36
Carried over .	5,77,61,56	6,24,21,64	6,78,23,78	7,31,35,06

C—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
III.—PUBLIC ACCOUNT—*concld.*				
Brought forward .	5,77,61,56	6,24,21,64	6,78,23,78	7,31,35,06
REMITTANCES—				
II.—REMITTANCES WITHIN INDIA—				
Inland Money Orders . .	2,33,71,15	2,43,10,00	2,52,00,00	2,66,00,00
Other Remittances . . .	9,77,40	3,84,25	4,00,98	4,63,50
Accounts between Civil and other Departments—				
Exchange Accounts between Civil and Posts and Telegraphs.	41,95,22	44,90,25	37,65,95	49,89,43
Exchange Accounts between Civil and Defence Services .	1,59,22,72	1,82,57,72	1,72,73,34	1,88,87,34
II.—REMITTANCE BETWEEN ENGLAND AND INDIA—				
Remittance Account between England and India—				
Purchase and Sales of Silver .	..	..	..	..
Other Transactions . . .	72,71,17	76,43,83	1,52,54,02	1,31,37,13
TOTAL .	5,17,37,66	5,50,86,05	6,18,94,29	6,40,77,40
TRANSFER OF CASH BETWEEN ENGLAND AND INDIA—				
Remittances through the Reserve Bank	1,16,42,79	84,21,77	1,54,51,50	1,77,88,22
RESERVE BANK DEPOSITS—				
RAILWAYS	..	−92,81,42	−75,39,55	−1,00,76,77
TOTAL III—PUBLIC ACCOUNT DISBURSEMENT . . .	12,11,42,01	11,66,48,04	13,76,30,02	14,49,23,91
TOTAL—(I+III) . .	36,18,85,27	48,43,14,28	45,71,73,78	58,00,56,97
CLOSING BALANCE . .	−4,26,41	50,14,93	50,11,69	50,04,44
GRAND TOTAL . .	36,14,58,86	48,93,29,21	46,21,85,47	58,50,61,41

NOTE

Under Article 113(2) of the Constitution of India, the estimates of expenditure to be met from the Consolidated Fund of India, other than expenditure "Charged" upon the Fund, are to be submitted in the form of Demands for Grants for obtaining the vote of the Lok Sabha. Rule 131 of the Rules of Procedure and Conduct of Business in Lok Sabha lays down that, subject to the discretion of the Minister of Finance, a separate Demand shall ordinarily be made for each Ministry of the Government and that each Demand shall contain, first, a statement of the total grant proposed and then a statement of the detailed estimates under each grant divided into items.

2. The Demands for Grants of the Central Government, other than those relating to Railways, have been arranged by Ministries on whose behalf they are presented. At the commencement of the Demands relating to a Ministry a statement has been added, where necessary, giving, for facility of reference, the total expenditure controlled by the Ministry and expenditure included in the various Demands presented on its behalf. A separate Demand has been prepared for the expenditure controlled by the Head of each of the Union Territories of Delhi Himachal Pradesh, Manipur, Tripura, Andaman and Nicobar Islands and the Laccadive, Minicoy and Amindivi Islands. Estimates relating to other expenditure, in these Territories have been included in the other relevant Demands. The estimates of expenditure "Charged" upon the Consolidated Fund of India and which, in accordance with Article 113(1) of the Constitution, are not submitted to the vote of Lok Sabha have also been indicated in italics in the respective Demands. The estimated recoveries of expenditure if any, have been indicated in a 'Note' below each Demand for Grant. Since these are excluded from the demands they are not available for spending by the controlling authorities.

3. For the sake of convenience, the Demands for Grants have been printed in three Volumes of which the first two contain the Demands relating to the estimates of expenditure to be met from revenue and the third, those relating to expenditure met from Capital and Disbursement of Loans and Advances to be met from outside the revenue account. In addition, a forth Volume has been added in which the Actuals for 1955-56 and Revised Estimates for 1956-57 in respect of such of the Demands as are not to be presented in 1957-58 have been shown.

4. Consequent on the reorganisation of the States with effect from 1st November 1956, Madhya Bharat, Saurashtra, Pepsu, Vindhya Pradesh and Hyderabad circles of accounts have disappeared. The Budget Estimates for 1956-57 relating to these circles have accordingly been amalgamated with the estimates relating to the circles of accounts corresponding to the principal successor States, namely, Madhya Pradesh, Bombay, Punjab and Andhra Pradesh respectively. Madhya Pradesh circle also includes the former Vindhya Pradesh circle. The Revised Estimates have, however, been shown under the new circles. Thus the Revised Estimates relating to the old Hyderabad circle appear under Andhra Pradesh, Bombay and Mysore circles. Consequently the circlewise distribution of the Budget Estimates for 1956-57 would not be comparable with the Revised Estimates in some cases where large scale territoral adjustments have taken place.

5. The accounts for the year 1955-56 have not been closed. The figures of actuals shown in the Demands are therefore provisional.

No. of Demand	Service, Administration or Area to which Demand relates	Head of Account	Amount Voted	(In thousands of rupees) Charged	Total
			Rs.	Rs.	Rs.
I.	EXPENDITURE MET FROM REVENUE				
	(I. Ministry of Commerce and Industry)				
1	Ministry of Commerce and Industry	General Administration	50,51	..	50,51
2	Industries	Industries and Supplies	24,63,36	..	24,63,36
3	Salt	Industries and Supplies	1,49,17	*4,13*	1,53,30
4	Commercial Intelligence and Statistics.	Miscellaneous Departments . . .	82,21	..	82,81
5	Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry	Miscellaneous Departments and Miscellaneous	1,43,68	..	1,43,68
	(II. Ministry of Community Development).				
6	Ministry of Community Development	General Administration	20,76	..	20,76
7	Community Development Projects and National Extension Service.	Community Development, etc.	12,30,86	..	12,30,86
	(III. Ministry of Defence.)				
8	Ministry of Defence	General Administration	35,47	..	35,47
9	Defence Services, Effective—Army	Defence Services	1,72,38,28	..	1,72,38,28
10	Defence Services Effective—Navy	Defence Services	16,01,41	..	16,01,41
11	Defence Services, Effective—Air Force	Defence Services	69,81,49	..	69,81,49
12	Defence Services,—Non-Effective Charges	Defence Services	12,90,85	*91,04*	13,81,89
	TOTAL CARRIED OVER		3,12,88,65	*95,17*	3,13,82,82

No. of Demand	Service, Administration or Area to which Demand relates	Head of Account	Amount Voted	(In thousands of rupees) Charged	Total
			Rs.	Rs.	Rs.
	TOTAL—BROUGHT FORWARD		3,12,88,65	*95,17*	3,13,83,82
	I. EXPENDITURE MET FROM REVENUE—*contd.*				
	(IV. Ministry of Education and Scientific Research.)				
13	Ministry of Education and Scientific Research.	General Administration	65,24	..	65,24
14	Archaeology	Scientific Departments	96,93	..	96,93
15	Survey of India	Scientific Departments	1,64,85	..	1,64,85
16	Botanical Survey	Scientific Departments	10,67	..	10,67
17	Zoological Survey	Scientific Departments	10,24	..	10,24
18	Geological Survey	Scientific Departments	95,35	..	95,35
19	Scientific Research	Scientific Departments	3,56,19	..	3,56,19
20	Other Scientific Departments	Scientific Departments	2,76,24	..	2,76,24
21	Education	Education	25,86,61	..	25,86,61
22	Miscellaneous Departments and Expenditure under the Ministry of Education and Scientific Research	Miscellaneous Departments and Miscellaneous.	1,95,54	..	1,95,54
	(V. Ministry of External Affairs)				
23	Tribal Areas	Tribal Areas	5,82,02	..	5,82,02
24	External Affairs	General Administration and External Affairs	8,30,47	..	8,30,47
25	State of Pondichery	Miscellaneous	3,30,33	*18*	3,30,51
26	Miscellane ous Expenditure under the Ministry of External Affairs.	Miscellaneous	3,61	..	3,61
	(VI. Ministry of Finance)				
27	Ministry of Finance	General Administration	1,54,94	..	1,54,94
28	Customs	Customs	4,03,13	..	4,03,13
29	Union Exise Duties	Union Excise Duties	7,43,85	*19,16,94*	26,60,79
30	Taxes on Income including Corporation Tax and Estate Duty.	Taxes on Income, Corporation Tax and Estate Duty.	4,68,79	..	4,68,79
	TOTAL—CARRIED OVER		3,86,63,65	*20,12,29*	4,06,75,94

No. of Demand	Service, Administration or Area to which Demands relates	Head of Account	Amount Voted	(In thousands of rupees) Charged	Total
			Rs.	Rs.	Rs.
	TOTAL—BROUGHT FORWARD		3,86,63,65	*20,12,29*	4,06,75,94
	I. EXPENDITURE MET FROM REVENUE —*contd.*				
31	Opium	Opium	2,11,07	..	2,11,07
32	Stamps	Stamps	1,66,72	*7,02*	1,73,79
33	Audit	Audit	9,32,00	*19,83*	9,51,83
34	Currency	Currency	3,58,96	*9,45*	3,68,41
35	Mint	Mint	3,12,18	..	3,12,18
36	Territorial and Political Pensions.	Territorial and Political Pensions	27,95	..	27,95
37	Superannuation Allowances and Pensions.	Superannuation Allowances and Pensions.	3,16,01	*31,01*	3,47,02
38	Miscellaneous Departments and Other Expenditure under the Ministry of Finance.	Distributed over respective heads of account.	25,44,51	*2*	25,44,33
39	Planning Commission	Miscellaneous	1,64,61	..	1,64,61
40	Miscellaneous Adjustments between the Union and State Governments.	Miscellaneous Adjustments between the Union and State Governments.	6,10	..	6,10
41	Pre-partition payments	Pre-partition payments	68,81	*1,19*	70,00
	Charged—Interest on Debt and other obligations and reduction or avoidance of bebt	*Interest on Debt and other obligations and reduction or avoidance of Debt.*	..	1,19,33'05	1,19,33,05
	Charged Grants-in-aid to States.	*Grants-in-aid to States.*	..	*25,16,66*	25,16,66
	(VII. Ministry of Food and Agriculture)				
42	Ministry of Food and Agriculture	General Administration	79,60	..	79,60
43	Forest	Forest	2,07,02	..	2,07,02
44	Agriculture	Agriculture	16,40,26	*1*	16,40,27
45	Civil Veterinary Services.	Veterinary	1,44,35	..	1,44,35
46	Miscellaneous Departments and Other Expenditure under the Ministry of Food and Agriculture.	Distributed over respective heads of account.	6,47,59	..	6,47,59
	TOTAL CARRIED OVER		4,64,91,39	*5,30,58*	6,30,21,97

No. of Demand	Service, Administration or Area to which Demand relates.	Head of Account	Amount Voted Rs.	(In thousands of rupees) *Charged* Rs.	Total Rs.
	TOTAL—BROUGHT FORWARD . . .		4,64,91,39	*1,65,30,58*	6,30,21,97
	(VIII. Ministry of Health)				
47	Ministry of Health	General Administration	13,13	..	13,13
48	Medical Services .	Medical . . .	3,88,17	..	3,88,17
49	Public Health	Public Health	9,17,65	..	9,17,65
50	Miscellaneous Expenditure under the Ministry of Health	Miscellaneous	1,03,81	..	1,03,81
	(IX. Ministry of Home Affairs)				
51	Ministry of Home Affairs	General Administration	2,63,68	..	2,63,68
52	Cabinet	General Administration	36,56	..	36,56
53	Zonal Councils	General Administration	4,51	..	4,51
54	Police . .	Police . . .	4,87,42	*1*	4,87,43
55	Census . . .	Miscellaneous Departments . . .	8,49	..	8,49
56	Privy Purses and Allowances of India Rules	Privy Purses, etc.	2,11	*5,49,37*	5,54,48
57	Delhi . . .	Distributed over respective heads of accounts	7,01,63	..	7,01,63
58	Himachal Pradesh	Distributed over respective heads of accounts	4,67,32	*1,80*	4,69,12
59	Andaman and Nicobar Islands	Distributed over respective heads of accounts	2,74,27	..	2,74,27
60	Manipur	Distributed over respective heads of accounts	1,47,53	..	1,47,53
61	Tripura	Distributed over respective heads of accounts	2,38,67	*42*	2,39,09
62	Laccadive, Minicoy and Amindivi Islands	Distributed over respective heads of accounts	14,65	..	14,65
63	Miscellaneous Department and Expenditure under the Ministry of Home Affairs.	Miscellaneous Departments and Miscellaneous	10,52,38	..	10,52,38
	(X. Ministry of Information and Broadcasting)				
64	Ministry of Information and Broadcasting.	General Administration	13,21	..	13,21
65	Broadcasting .	Broadcasting .	3,79,89	..	3,79,89
	TOTAL—CARRIED OVER .		5,20,09,47	*1,70,82,18*	6,90,91,65

No. of Demand	Service, Administration or Area to which Demand relates	Head of Account	Amount Voted	(In thousands of rupees) *Charged*	Total
			Rs.	Rs.	Rs.
	TOTAL—BROUGHT FORWARD		5,20,09,47	*1,70,82,18*	6,00,98,65
	1. EXPENDITURE MET FROM REVENUE—*contd.*				
66.	Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting.	Miscellaneous Departments and Miscellaneous.	3,47,04	..	3,47,04
	(XI. Ministry of Irrigation and Power)				
67.	Ministery of Irrigation and Power.	General Administration	17,37	..	17,37
68.	Multi-purpose River Schemes.	Multi-purpose River Schemes.	1,60,33	..	1,60,33
69.	Miscellaneous Departments and Other Expenditure under the Ministry of Irrigation and Power.	Distributed over respective heads of account.	98,08	..	98,08
	(XII. Ministry of Labour and Employment)				
70.	Ministry of Labour and Employment.	General Administration	16,94	..	16,94
71.	Chief Inspector of Mines.	Scientific Departments.	23,84	..	23,84
72.	Miscellaneous Departments and Other Expenditure under the Ministry of Labour and Employment.	Distributed over respective heads of account.	8,66,57	..	8,66,57
	(XIII. Ministry of Law)				
73.	Ministry of Law .	General Administration	1,72,38	..	1,72,38
74.	Administration of Justice.	Administration of Justice.	2,38	*12,61*	14,99
75.	Miscellaneous Expenditure under the Ministry of Law.	Miscellaneous.	6,25	..	6,25
	TOTAL—CARRIED OVER		5,37,20,65	*1,70,94,79*	7,08,15,44

No. of Demand	Service, Administration or Area to which Demand relates	Head of Account	Amount Voted	(In thousands of rupees) Charged	Total
			Rs.	Rs.	Rs.
	TOTAL—BROUGHT FORWARD		5,37,20,65	*1,70,94,79*	7,08,15,44
I. EXPENDITURE MET FROM REVENUE—*contd.*					
	(XIV. Ministry of Rehabilitation).				
76.	Ministry of Rehabilitation.	General Administration	43,75	..	43,75
77.	Expenditure on Displaced Person	Miscellaneous	22,50,26	..	22,50,26
	(XV) Ministry of Steel, Mines and Fuel)				
78.	Ministry of Steel Mines and Fuel.	General Administration	31,15	..	31,15
79.	Mines	Scientific Departments.	48,63	..	48,63
80.	Exploration of Oil and Natural Gas.	Scientific Departments.	2,57,67	..	2,57,67
81.	Miscellaneous Departments and Other Expenditure under the Ministry of Steel, Mines and Fuel.	Distributed over respective heads of account.	55,96,93	..	55,96,93
	(XVI. Ministry of Transport and Communications)				
82.	Ministry of Transport and Communications.	General Administration	72,09	..	72,09
83.	Indian Posts and Telegraphs Department (including working Expenses).	Posts and Telegraphs.	59,64,99	*2,78,94*	62,43,93
84.	Ports and Pilotage	Ports and Pilotage	63,17	..	63,17
85.	Lighthouses & Lightships	Lighthouses and Lightships.	1,38,56	..	1,38,56
86.	Meteorology	Scientific Departments	1,52,29	..	1,52,29
87.	Overseas Communications Service.	Industries and Supplies	1,14,86	*6,73*	1,21,59
88.	Aviation	Aviation	3,56,13	..	3,56,63
89.	Central Road Fund.	Civil Works	4,28,19	..	4,28,19
90.	Communications (including National Highways)	Civil Works	5,72,68	..	5,72,68
91.	Miscellaneous Departments and Other Expenditure under the Ministry of Transport and Communications.	Distributed over respective heads of account.	1,57,94	..	1,57,94
	TOTAL—CARRIED OVER		6,99,69,94	*1,73,80,96*	8,73,50,90

No. of Demand	Service, Administration or Area to which Demand relates	Head of Account	Amount Voted Rs.	(In thousands of rupees) Charged Rs.	Total Rs.
	TOTAL—BROUGHT FORWARD		6,99,69,94	*1,73,80,96*	8,73,50,90
I.—EXPENDITURE MET FROM REVENUE—*concld.*					
	(XVII. Ministry of Works, Housing and Supply).				
92.	Ministry of Works, Housing and Supply.	General Administration.	56,01	..	56,01
93.	Supplies	Industries and Supplies	2,61,14	..	2,61,14
94.	Other Civil Works.	Civil Works	20,66,52	*33,52*	21,00,04
95.	Stationery and Printing	Stationery and Printing	6,89,77	..	[illegible],89,77
96.	Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply.	Miscellaneous Departments, and Miscellaneous.	89,86	..	89,86
	(XVIII. Department of Atomic Energy).				
97.	Department of Atomic Energy.	General Administration	8,70	..	8,70
98.	Atomic Energy Research	Scientific Departments	3,10,00	..	3,10,00
	(XIX.—Department of Parliamentary Affairs)				
99.	Department of Parliamentary Affairs	General Administration	1,91	..	1,91
	(XX. Lok Sabha)				
100.	Lok Sabha	General Administration	1,20,69	*67*	1,21,36
101.	Miscellaneous Expenditure under Lok Sabha.	Miscellaneous	34	..	34
	(XXI, Rajaya Sabha)				
102.	Rajya Sabha	General Administration	36,82	*77*	37,59
	(XXII. Secretariat of the President).				
	Charged—Staff, Household and Allowances of the President.	General Administration	..	*18,38*	18,38
	(XXIII.—Secretariat of the Vice-President)				
103.	Secretariat of the Vice-President	General Administration	62	..	62
	(XXIV. Union Public Service Commission)				
	Charged—Union Public Service Commission	General Administration	..	*36,74*	46,74
	TOTAL		7,36,12,32	*1,74,71,04*	9,10,83,36(a)

(*a*) Expenditure shown in the Budget Statement	7,72,23,09
Add—Posts and Telegraphs—Working Expenses	55,36,01
Electricity Schemes—Working Expenses	7,70
Road Transport Schemes—Working Expenses	46,21
Amount for eliminating recoveries	1,70,00,00
	9,99,73,01
Deduct—Railway Expenditre	—88,89,65
TOTAL	9,10,83,36

No. of Demand	Service, Administration or area to which Demand relates	Head of account	Amount (In thousands of rupees) Voted Rs.	Charged Rs.	Total Rs.
	II. EXPENDITURE MET FROM CAPITAL AND DISBURSEMENT OF LOANS AND ADVANCES.				
	(I. Ministry of Commerce and Industry)				
104.	Capital Outlay of the Ministry of Commerce and Industry.	Distributed over respective heads of account.	14,19,01	..	14,19,01
	(II. Ministry of Community Development)				
105.	Capital Outlay of the Ministry Community Development.	Distributed over respective heads of account.	1,67,49	..	1,67,49
	(III. Ministry of Defence.)				
106.	Defence Capital Outlay	Defence Capital Outlay	25,00,00	..	25,00,00
	(IV. Ministry of Education and Scientific Research)				
	Scientific Research.		1,83,17	..	1,83,17
107.	Capital Outlay of the Ministry of Education & Scientific Research	Distributed over respective heads of account	1,83,17	..	1,83,17
	(V. Ministry of External Affairs.)				
108.	Capital Outlay of the Ministry of External Affairs.	Capital Outlay on Schemes of Government Trading.	30,00	..	30,00
	(VI. Ministry of Finance)				
109.	Capital Outlay on the India Security Press.	Capital Outlay on the India Security Press.	7,61	..	7,61
110.	Capital Outlay on Currency and Coinage	Currency Capital Account outside the Revenue Accounnt.	2,66,81	..	2,66,81
111.	Capital Outlay on Mints	Capital Outlay on Mints	72,00	..	72,00
112.	Commuted Value of Pensions	Payment of Commuted Value of Pensions	42,55	*1,00*	43,55
113.	Payments to Retrenched Personnel.	Payments to Retrenched Personnel.	24	..	24
114.	Other Capital Outlay of the Ministry of Finance.	Distributed over respective heads of account.	1,04,85,50	..	1,04,85,50
	TOTAL—CARRIED OVER		1,51,74,38	*1,00*	1,51,75,38

No. of Demand	Service, Administration or Area to which Demand relates	Head of Account	Amount Voted Rs.	(In thousands of rupees) Charged Rs.	Total Rs.
	TOTAL—BROUGHT FORWARD		1,51,74,38	*1,00*	1,51,75,38
II. EXPENDITURE MET FROM CAPITAL AND DISBURSEMENT OF LOANS AND ADVANCES.—*contd.*					
115.	Loans and Advances by the Central Government.		86,33,44	*2,53,07,77*	3,39,41,21
	Charged—Repayment of Debt.		35,00,19,31	..	35,00,19,31
	(VII. Ministry of Food and Agriculture)				
116.	Capital outlay on Forests.	Capital Outlay on Forests.	18,31	..	18,31
117.	Purchase of Food-grains	Capital Outlay on Schemes of Government Trading	1,46,21,80	*3,20*	1,46,25,00
118.	Other Capital Outlay of the Ministry of Food and Agriculture.	Distributed over respective heads of account.	35,14,82	..	35,14,82
	(VIII. Ministry of Health)				
119.	Capital Outlay of the Ministry of Health.	Capital Outlay on Schemes of Government Trading.	10,10,88	..	10,10,88
	(IX. Ministry of Home Affairs)				
120.	Capital Outlay of the Ministry of Home Affairs.	Capital Outlay on Schemes of Government Trading.	2,22,89	..	2,22,89
	(X. Ministry of Information and Broadcasting)				
121.	Capital outlay on Broadcasting	Capital Outlay on Broadcasting	3,40,00	..	3,40,00
	(XI. Ministry of Irrigation and Power)				
122.	Capital Outlay on multipurpose River Schemes.	Capital Outlay on Multipurpose River Schemes.	3,73,07	..	3,73,07
123.	Other Capital Outlay of the Ministry of Irrigation and Power	Distributed over respective heads of account.	94,87	..	94,87
	TOTAL—CARRIED OVER		4,40,04,46	*37,53,31,28*	41,93,35,74

No of Demand	Service, Administration or Area to which Demand relates	Head of Account	Amount Voted Rs.	(In thousands of rupees) Charged Rs.	Total Rs.
	TOTAL—BROUGHT FORWARD		4,40,04,46	*37,53,31,28*	41,93,35,74
	II. EXPENDITURE MET FROM CAPITAL AND DISBURSEMENT OF LOANS AND ADVANCES—*concld.*				
	(XII. Ministry of Labour and Employment)				
124.	Capital Outlay of the Ministry of Labour and Employment	Capital Outlay on Schemes of Government Trading.	34,22	..	34,22
	(XIII. Ministry of Rehabilitation)				
125.	Capital Outlay of the Ministry of Rehabilitation	Capital Outlay in Industrial Development.	24,00,00	.	24,00,00
	(XIV. Ministry of Steel, Mines and Fuel).				
126.	Capital Outlay of Ministry of Steel, Mines and Fuel.	Distributed over res-pective heads of account	1,68,65,24	..	1,68,65,24
	(XV. Ministry of Transport and Communication.)				
127.	Capital Outlay on Indian Posts & Telegraphs (not met from Revenue)	Capital Outlay on Posts and Telegraphs.	24,77,45	..	24,77,45
128.	Capital Outlay on Civil Aviation	Capital Outlay on Civil Aviation	2,87,61	..	2,87,61
129.	Capital Outlay on Ports.	Capital Outlay on Ports	5,35,00	..	5,35,00
130.	Capital Outlay on Roads.	Capital Outlay on Roads.	14,50,00	..	14,50,00
131.	Other Capital Outlay of the Ministry of Transport and Communication.	Distributed over respective heads of account.	11,52,92	..	11,52,92
	(XVI. Ministry of Works, Housing and Supply)				
132.	Delhi Capital Outlay.	Delhi Capital Outlay	7,33,19	*5,23*	7,38,42
133.	Capital Outlay on Buildings.	Capital account of Civil Works outside the Revenue Account.	4,58,72	*2,86*	4,61,58
134.	Other Capital Outlay of the Ministry of Works, Housing and Supply.	Distributed over respective heads of account.	2,15,76	..	2,15,76
	(XVII. Department of Atomic Energy).				
135.	Capital Outlay of the Department of Atomic Energy	Distributed over respective heads of account	9,00,00	..	9,00,00
	TOTAL—EXPENDITURE MET FROM CAPITAL ETC.		7,15,14,57	*37,53,39,37*	44,68,53,94
	GRAND TOTAL		14,51,26,89	*39,28,10,41*	53,79,37,30

THE FINANCE (NO. 2) BILL, 1957

(AS INTRODUCED IN LOK SABHA)

A

BILL

to give effect to the financial proposals of the Central Government for the financial year 1957-58

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows:—

1. *Short title.*—This Act may be called the Finance (No. 2) Act, 1957.

2. *Income-tax and super-tax.*—(1) Subject to the provisions of sub-sections (2), (3), (4) and (5) for the year beginning on the 1st day of April, 1957,—

(a) income-tax shall be charged at the rates specified in Part I of the First Schedule and, in the cases to which Paragraphs A, B and C of that Part apply, shall be increased by a surcharge for the purposes of the Union calculated in the manner provided therein; and

(b) super-tax shall, for the purposes of section 55 of the Indian Income-tax Act, 1922 (11 of 1922) (hereinafter referred to as the Income-tax Act), be charged at the rates specified in Part II of the First Schedule, and, in the cases to which Paragraphs A, B and C of that Part apply, shall be increased by a surcharge for the purposes of the Union calculated in the manner provided therein.

(2) In making any assessment for the year ending on the 31st day of March, 1958, there shall be deducted from the total income of an assessee, in respect of the earned income, if any, chargeable under the head "Salaries" included therein,—

(a) an amount equal to one-fifth of such earned income, but not exceeding in any case four thousand rupees, or

(b) the amount, if any, arrived at after deducting from four thousand rupees one-fifth of the amount by which the aggregate of all earned incomes included in the total income under whatever head they are chargeable exceeds twenty-five thousand rupees,

whichever is less.

(3) In making any assessment for the year ending on the 31st day of March, 1958,—

(a) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" as reduced by the deduction for earned income appropriate thereto, or any income chargeable under the head "Interest on Securities", or any income from dividends in respect of which by virtue of section 49B of the Income-tax Act he is

deemed himself to have paid the income-tax imposed under that Act, the income-tax payable by the assessee on that part of his total income which consists of such inclusions shall be an amount bearing to the total amount of income-tax payable according to the rates applicable under the operation of the Finance Act, 1956 (18 of 1956), on his total income the same proportion as the amount of such inclusions bears to his total income;

(b) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" on which super-tax has been or might have been deducted under the provisions of sub-section (2) of section 18 of the Income-tax Act, the super-tax payable by the assessee on that portion of his total income which consists of such inclusion shall be an amount bearing to the total amount of super-tax payable according to the rates applicable under the operation of the Finance Act, 1956 (18 of 1956), on his total income the same proportion as the amount of such inclusion bears to his total income.

(4) In making any assessment for the year ending on the 31st day of March, 1958, where the total income of a company includes any profits and gains from life insurance business, the super-tax otherwise payable by the company on the whole of such total income shall be reduced by an amount which bears to that super-tax the same proportion as the amount of such inclusion bears to its total income,

or by an amount computed at the rate of—

(i) twelve per cent. in the case of a mutual insurance company as defined in section 95 of the Insurance Act, 1938 (4 of 1938); and

(ii) nine per cent. in the case of any other company,

on the amount of such inclusion,

whichever is less.

(5) In cases to which section 17 of the Income-tax Act applies, the tax chargeable shall be determined as provided in that section, and with reference to the rates imposed by sub-section (1), and in accordance with the provisions of sub-sections (2), (3) and (4) of this section, wherever applicable.

(6) For the purposes of this section, and of the rates of tax imposed thereby, the expression "total income" means total income as determined for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Income-tax Act, and the expression "earned income" has the meaning assigned to it in clause (6AA) of section 2 of that Act.

3. *Amendment of section 4.*—In section 4 of the Income-tax Act, in sub-section (3), after clause (xviia), the following clause shall be inserted, namely:—

"(xviib) interest payable by Government or a local authority on moneys borrowed by it from sources outside India from any person not resident in India or from any institution established outside India;".

4. *Amendment of section* 10.—In section 10 of the Income-tax Act, for sub-sections (2B) and (2C), the following sub-sections shall be substituted, namely:—

"(2B) Notwithstanding anything contained in sub-section (2), no allowance under clause (vi), clause (via), clause (vib) or clause (vii) of that sub-section shall be made in computing under this section the profits or gains of a company for any previous year unless the company deposits or has deposited with the Central Government within six months from the end of the said previous year or before the thirtieth day of June of the assessment year relevant to such previous year, whichever is later—

(i) such percentage, if any (not exceeding twenty-five in any case) as may be notified by the Central Government, of the accumulated profits and reserves of the company as at the end of the year preceding the previous year, to the extent to which such profits and reserves are not represented by the fixed assets of the company; and

(ii) such percentage, if any (not exceeding seventy-five in any case) as may be notified by the Central Government, of the amount by which the aggregate of the following amounts, namely:—

(a) the total income of the company for the previous year, as reduced by the amount of income-tax and super-tax payable in respect thereof (the total income and tax being computed by the assessee for this purpose) and by the dividends, if any, declared or deemed to be declared in India, during the previous year; and

(b) the sum of the allowances claimed by the company under the clauses aforesaid;

exceeds the sum of rupees one lakh:

Provided that where the total income computed by the Income-tax Officer under this Act exceeds the total income as computed by the company under clause (ii), the company shall be deemed not to have made any deposit under that clause unless it deposits with the Central Government such further amount as may be prescribed having regard to the excess, together with interest thereon at the prescribed rate:

Provided further that the Central Government may, by notification in the Official Gazette, direct that for any assessment year the provisions of this sub-section shall have effect as if for "the period of six months" and the date "the thirtieth day of June" referred to therein the period or date specified in the notification had been substituted.

Explanation.—The power to fix percentages under this sub-section includes a power to fix different percentages in relation to different classes of companies.

(2C) The Central Government may make rules,—

(a) providing for the manner in which the deposits referred to in sub-section (2B) may be computed or made;

(b) providing for the manner in which, and the extent to which, dividends declared by companies incorporated outside India or not resident in India may be deemed to be declared in India;

(c) providing for the time when, and the manner in which, refunds of any deposit made under sub-section (2B) shall be made,

whether with or without interest, and, in particular, the refund at any time of any such deposit or any part thereof where the refund is claimed for carrying out any such purpose connected with the business of the company as may be approved by the Central Government;

(d) prescribing the circumstances in which, and the conditions subject to which, a deposit need not be made under sub-section (2B);

(e) providing for the procedure to be followed in respect of any of the matters specified in the preceding clauses, and the constitution of a Board of Referees for any of the purposes aforesaid.".

5. *Amendment of section* 15.—In section 15 of the Income-tax Act, in sub-section (3), for the word "one-fifth" in both the places where it occurs, the word "one-fourth" shall be substituted.

6. *Amendment of section* 17.—In section 17 of the Income-tax Act, in clause (b) of sub-section (1), for the words "three annas in the rupee", the words "nineteen per cent." shall be substituted.

7. *Amendment of section 23A*.—In section 23A of the Income-tax Act,—

(i) for sub-sections (1) and (2), the following sub-sections shall be substituted, namely:—

"(1) Where the Income-tax Officer is satisfied that in respect of any previous year the profits and gains distributed as dividends by any company within the twelve months immediately following the expiry of that previous year are less than the statutory percentage of the total income of the company of that previous year as reduced by—

(a) the amount of income-tax and super-tax payable by the company in respect of its total income, but excluding the amount of any super-tax payable under this section;

(b) the amount of any other tax levied under any law for the time being in force on the company by the Government or by a local authority in excess of the amount, if any, which has been allowed in computing the total income; and

(c) in the case of a banking company, the amount actually transferred to a reserve fund under section 17 of the Banking Companies Act, 1949 (10 of 1949);

the Income-tax Officer shall, unless he is satisfied that, having regard to the losses incurred by the company in earlier years or to the smallness of the profits made in the previous year, the payment of a dividend or a larger dividend than that declared would be unreasonable, make an order in writing that the company shall, apart from the sum determined as payable by it on the basis of the assessment under section 23, be liable to pay super-tax at the rate of fifty per cent. in the case of a company whose business consists wholly or mainly in the dealing in or holding of investments, and at the rate of thirty-seven per cent. in the case of any other company on the undistributed balance of the total income of the previous year, that is to say, on the total income as reduced by the amounts, if any, referred to in clause (a), clause (b) or clause (c) and the dividends actually distributed, if any.

(2) No order under sub-section (1) shall be made,—

(i) in the case of a company whose business consists wholly or mainly in the dealing in or holding of investments which has distributed not less than ninety per cent. of its total income as reduced by the amounts, if any, referred to in clause (a), clause (b) or clause (c) of sub-section (1); or

(ii) in the case of any other company whose distribution falls short of the statutory percentage by not more than five per cent. of its total income as reduced by the amounts, if any, aforesaid; or

(iii) in any case where according to the return made by a company under section 22 it has distributed not less than the statutory percentage of its total income as reduced by the amounts, if any, aforesaid, but in the assessment made by the Income-tax Officer under section 23 a h gher total income is arrived at and the difference in the total income does not arise out of the application of the proviso to section 13 or sub-section (4) of section 23 or the omission by the company to disclose its income fully and truly:

unless the company, on receipt of a notice from the Income-tax Officer that he proposes to make such an order, fails to make within three months of the receipt of such notice a further distribution of its profits and gains so that the total distribution made is not less than the statutory percentage of the total income of the company as reduced by the amounts, if any, aforesaid."

(ii) sub-sections (3), (4) (5), (6) and (7) shall be omitted,

(iii) in sub-section (8), the words "Except in cases where a decision is given by the Commissioner of Income-tax under sub-section (3) or the Board of Referees under sub-section (4)" shall be omitted;

(iv) the *Explanation* to section 23A shall be re-numbered as *Explanation* 1 and in the *Explanation* as so re-numbered, in clause (b), for the word, brackets and figure "sub-section (4)" in both the places where they occur, the words, brackets and figures "clause (ii) of *Explanation* 2" shall be substituted;

(v) after the *Explanation* as so re-numbered, the following *Explanation* shall be inserted, namely:—

"*Explanation* 2.—For the purposes of this section, statutory percentage means,—

(i) in the case of a company whose business consists wholly or mainly in the dealing in or holding of investments .. 100%

(ii) in the case of an Indian company whose business consists wholly in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power .. 45%

(iii) in the case of an Indian company, a part only of whose business consists in any of the activities specified in clause (ii)—

(a) in relation to the said part of the company's business.. 45%

(b) in relation to the remaining part of the company's business—

(1) if it is a company which satisfies the conditions specified in sub-clause (a) of clause (iv) .. 90%

(2) in any other case .. 60%;

the said percentages being applied separately with reference to the amounts of profits and gains attributable to the two parts of the company's business aforesaid as if the said amounts were respectively the total income of the company in relation to each of its parts, the amount of dividends and taxes also being similarly apportioned, for the purposes of sub-section (1).

(iv) in the case of any other company not referred to in the preceding clauses,—

(a) where the accumulated profits and reserves (including the amounts capitalised from the earlier reserves) representing accumulations of past profits which have not been the subject of an order under sub-section (1) exceed either the aggregate of—

(1) the paid-up capital of the company exclusive of the capital, if any, created out of its profits and gains which have not been the subject of an order under sub-section (1);

(2) any loan capital which is the property of the shareholders;

or the actual cost of the fixed assets of the company, whichever of these is greater .. 90%

(b) where sub-clause (a) does not apply .. 60%".

8. *Amendment of section* 24.—In section 24 of the Income-tax Act,—

(a) in clause (iii) of sub-section (2), after the words "following year and so on", the words "but no loss shall be so carried forward for more than eight years" shall be inserted;

(b) in sub-section (2B), after the words "to the following year and so on", the words "so however that no such loss shall be carried forward for more than eight years" shall be inserted.

9. *Substitution of new section for section* 58E. *Annual contributions of employers and interest when deemed to be income received.*—For section 58E of the Income-tax Act, the following section shall be substituted, namely:—

"58E. That portion of the annual accretion in any year to the balance at the credit of an employee participating in a recognised provident fund as consists of—

(a) contributions made by the employer in excess of ten per cent. of the salary of the employee, and

(b) interest credited on the balance to the credit of the employee in so far as it exceeds one-third of the salary of the employee or is allowed at a rate exceeding the rate fixed by the Central

Government in this behalf by notification in the Official Gazette,

shall be deemed to have been received by him in that year and shall be included in his total income for that year, and subject to the exemptions specified in section 58F, shall be liable to income-tax and super-tax."

10. *Substitution of new section for section 58F. Exemption of employees' contributions from income-tax.*—For section 58F, the following section shall be substituted, namely:—

"58F. An employee shall not be liable to pay income-tax on his own contributions to his individual account in a recognised provident fund in so far as the aggregate of such contributions in any year does not exceed one-fifth of his salary in that year or eight thousand rupees, whichever is less."

11. *Commencement of amendments to Act 11 of 1922.*—(1) The amendments to the Income-tax Act made by sections 3, 9 and 10 shall, for the purposes of making any deduction of income-tax under sub-section (2) or sub-section (2B) of section 18 of the Income-tax Act, have effect on and from the first day of April, 1957, and for other purposes shall have effect on and from the first day of April, 1958.

(2) Save as otherwise provided in sub-section (1), the provisions of section 2 and the amendments to the Income-tax Act made by sections 3 to 10 inclusive shall be deemed to have come into force on the first day of April, 1957.

(3) Where any assessment in relation to which the amendments made by this Act have effect has been completed before the passing of this Act, the Income-tax Officer shall revise it accordingly.

(4) For the removal of doubts, it is hereby declared that the provisions of section 23A of the Income-tax Act, as in force immediately before the 1st day of April, 1957, shall continue to apply to a company in respect of its profits and gains of a previous year relevant to any assessment year prior to the assessment year ending on the 31st day of March, 1957.

12. *Amendment of Act 32 of 1934.*—(1) The Indian Tariff Act, 1934 (hereinafter referred to as the Tariff Act), shall be amended in the manner specified in Parts I, II, III and IV of the Second Schedule.

(2) In the First Schedule to the Tariff Act, the following *Explanation* shall be inserted at the end, namely:—

"*Explanation.*—References in this Schedule to 'the excise duty for the time being leviable on like articles if produced or manufactured in India' shall be construed as references to the excise duty for the time being in force which would be leviable on like articles if produced or manufactured in India or, if like articles are not so produced or manufactured, which would be leviable on the class or description of articles to which the imported articles belong."

13. *Amendment of Act 1 of 1944.*—In the First Schedule to the Central Excises and Salt Act, 1944,—

(a) in Item No. 1, for the entry in the third column, the entry "Twenty naye paise per imperial gallon." shall be substituted;

(b) in Item No. 2, for sub-items (1), (2), (3) and (4), the following shall be substituted, namely:—

"(1) Matches, in boxes containing 60 matches on an average, if manufactured in a factory whose output—	
(i) exceeds five hundred thousand gross of boxes per year.	Four rupees and ninety naye paise per gross of boxes.
(ii) does not exceed five hundred thousand gross of boxes per year, but exceeds one hundred gross of boxes per day.	Four rupees and seventy-five naye paise per gross of boxes.
(iii) does not exceed one hundred gross of boxes per day, but exceeds twenty-five gross of boxes per day.	Four rupees and sixty naye paise per gross of boxes.
(iv) does not exceed twenty-five gross of boxes per day.	Four rupees and forty-five naye paise per gross of boxes.
(2) Matches, in boxes containing 40 matches on an average, if manufactured in a factory whose output—	
(i) exceeds five hundred thousand gross of boxes per year.	Three rupees and twenty-five naye paise per gross of boxes.
(ii) does not exceed five hundred thousand gross of boxes per year, but exceeds one hundred gross of boxes per day.	Three rupees and fifteen naye paise per gross of boxes.
(iii) does not exceed one hundred gross of boxes per day, but exceeds twenty-five gross of boxes per day.	Three rupees and five naye paise per gross of boxes.
(iv) does not exceed twenty-five gross of boxes per day.	Two rupees and ninety-five naye paise per gross of boxes.
(3) Matches in boxes containing on an average not more than twelve matches of the type known as "Bengal Lights".	One rupee per gross of boxes.
(4) All other matches.	Eighty naye paise for every 1,440 matches or fraction thereof.";

(c) in Item No. 4, for the entry in the third column, the entry "One rupee and twenty-five naye paise per imperial gallon." shall be substituted;

(d) in Item No. 7, for the entry in the third column, the entry "Forty rupees per ton." shall be substituted;

(e) in Item No. 8, in sub-item (1), for the entry in the third column, the entry "Eleven rupees and twenty-five naye paise per cwt." shall be substituted;

(f) in Item No. 9,—

(i) in sub-item I(4), for the entry in the third column, the entry "Seventy-five naye paise per lb." shall be substituted;

(ii) for sub-items I(5) and I(6), the following sub-items shall be substituted, namely:—

"(5) if not flue cured and not actually used for the manufacture of (a) cigarettes or (b) smoking mixtures for pipes and cigarettes—	Fifty naye paise per lb.
(i) stems of tobacco larger than 1/4″ and stems of tobacco not larger than 1/16″ in size;	
(ii) dust of tobacco;	
(iii) granule ('*rawa*') of tobacco not larger than 1/16″ square in size;	
(iv) tobacco cured in whole leaf form and packed or tied in bundles, hanks or bunches or in the form of twists or coils;	
Explanation.—The size of tobacco shall be determined for the purposes of this sub-item with reference to the size of the mesh through which it can pass;	
(6) if other than flue cured and not otherwise specified.	One rupee per lb.":

(g) in Item No. 13, for the entry in the third column, the entry "Thirty-five naye paise per lb." shall be substituted;

(h) in Item No. 14, for the entries in the third column against sub-items (1)(i), (1)(ii) and (2), the entries "Thirty-five naye paise per lb. net.", "Forty-five naye paise per lb. net.", "Ten naye paise per lb. net." shall respectively be substituted;

(i) in Item No. 15. for the entry in the third column, the entry "Twenty rupees per ton." shall be substituted;

(j) for Item No. 21, the following Item shall be substituted, namely:—

"21. PAPER, all sorts (including pasteboard, millboard, strawboard and cardboard), in or in relation to the manufacture of which any process is ordinarily carried on with the aid of power—	
(1) blotting, toilet, target, tissue other than cigarette tissue, teleprinter, typewriting, manifold, bank, bond, art paper, chrome paper, tubsized paper, cheque paper, stamp paper, cartridge paper and parchment.	Fifteen naye paise per lb.
(2) cigarette tissue.	Thirty naye paise per lb.
(3) printing and writing paper, other sorts.	Ten naye paise per lb.
(4) packing and wrapping paper, other sorts.	Ten naye paise per lb.
(5) millboard and strawboard other than Corrugated board	Five raya paise per lb.
(6) duplex and triplex board.	Ten naye paise per lb.
(7) pulp board.	Ten naye paise per lb.
(8) manilla and corrugated board.	Ten naye paise per lb.
(9) coated board (including art, chrome and board for playing cards).	Fifteen naye paise per lb.
(10) paper and paper board, all sorts, not otherwise specified.	Fifteen naye paise per lb.";

(k) in Item No. 23, for the entry in the third column, the entry "One hundred and twelve rupees per ton." shall be substituted;

(l) in Item No. 24, for the entry in the third column, the entry "Forty naye paise per imperial gallon." shall be substituted;

(m) in Item No. 25, in sub-item (a), for the entry in the third column, the entry "Forty rupees per ton." shall be substituted.

14. *Amendment of Act* 6 *of* 1898.—The First Schedule to the Indian Post Office Act, 1898, shall be amended as follows, namely:—

(i) after the entries relating to Letters, the following heading and entry shall be inserted, namely:—

"Letter-cards

For a letter-card .. .. 10 naye paise";

(ii) for the heading Post Cards and the entries thereunder, the following headings and entries shall be substituted, namely:—

"Postcards

Local delivery postcards

For a single postcard	4 naye paise
For a reply postcard	8 naye paise

Other postcards

For a single postcard	.. ..	6 naye paise
For a reply postcard	.. ..	12 naye paise";

(iii) in column 2 of the entries under the heading Book, Pattern and Sample Packets, for the figure and words "6 *naye paise*" the figure and words "8 *naye paise*" shall be substituted;

(iv) in column 2 of the entries under the heading Parcels, for the figures and words "50 *naye paise*" against the entry "For a weight not exceeding forty tolas", the figures and words "60 *naye paise*" shall be substituted.

15. (1) Sections 31 and 37 of, and the Third and Fourth Schedules to, the Finance Act, 1956 (8 of 1956), and section 5 of the Finance Act, 1957 (5 of 1957), are hereby repealed.

(2) Section 8 of the Finance (No. 3) Act, 1956 (77 of 1956), and section 2 of the Finance Act, 1957 (5 of 1957), are hereby repealed and shall be deemed never to have been enacted.

Declaration under the Provisional Collection of Taxes Act, 1931.

(16 of 1931)

It is hereby declared that it is expedient in the public interest that the provisions of clauses 12 and 13 of this Bill shall have immediate effect under the Provisional Collection of Taxes Act, 1913.

THE FIRST SCHEDULE

(*See* section 2)

PART I

Income-tax and surcharge on income-tax.

Paragraph A

(i) In the case of every individual who is married and every Hindu undivided family:—

Rates of Income-tax

(1) On the first Rs. 3,000 of total income	..	Nil
(2) On the next Rs. 2,000 of total income.	..	3%
(3) On the next Rs. 2,500 of total income.	..	6%
(4) On the next Rs. 2,500 of total income.	..	9%
(5) On the next Rs. 2,500 of total income.	..	11%
(6) On the next Rs. 2,500 of total income.	..	14%
(7) On the next Rs. 5,000 of total income.	..	18%
(8) On the balance of total income.	..	25%

(ii) In the case of every individual who is not married and every unregistered firm or other association of persons, not being a case to which paragraph B or paragraph C or paragraph D of this Part applies:—

(1) On the first Rs. 1,000 of total income	..	Nil
(2) On the next Rs. 4,000 of total income.	..	3%
(3) On the next Rs. 2,500 of total income.	..	6%
(4) On the next Rs. 2,500 of total income.	..	9%
(5) On the next Rs. 2,500 of total income.	..	11%
(6) On the next Rs. 2,500 of total income.	..	14%
(7) On the next Rs. 5,000 of total income.	..	18%
(8) On the balance of total income.	..	25%

Provided that—

(i) no income-tax shall be payable on a total income which does not exceed the limit specified below;

(ii) the income-tax payable shall in no case exceed half the amount by which the total income exceeds the said limit.

The limit aforesaid shall be—

(i) Rs. 6,000 in the case of every Hindu undivided family which as at the end of the previous year satisfies either of the following conditions, namely:—

(a) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or

(b) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(ii) Rs. 3,000 in every other case.

Surcharge on income-tax

The amount of income-tax computed at the rates hereinbefore specified shall be increased by a surcharge which shall be the aggregate of the amounts calculated as under:—

(1) five per cent. of the amount of income-tax;

(2) fifteen per cent. of the difference between the amount of income-tax on the total income and the amount of income-tax on the whole of the earned income, if any, included in the total income if such earned income had been the total income; and

(3) where the earned income included in the total income exceeds Rs. 1,00,000 five per cent. of the difference between the amount of income-tax which would have been payable on the whole of the earned income included in the total income if such earned income had been the total income and the amount of income-tax payable on a total income of Rs. 1,00,000:

Provided that—

(i) no surcharge shall be payable where the total income does not exceed the limit specified below; and

(ii) the surcharge payable shall in no case exceed half the amount by which the total income exceeds the said limit.

The limit aforesaid shall be—

(i) Rs. 15,000 in the case of every Hindu undivided family which satisfies as at the end of the previous year either of the following conditions, namely:—

(a) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or

(b) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(ii) Rs. 7,500 in every other case.

Explanation.—For the purposes of this paragraph, in the case of every Hindu undivided family governed by the *Mitakshara* law, a son shall be deemed to be entitled to claim partition of the coparcenary property against his father or grandfather notwithstanding any custom to the contrary.

Paragraph B

In the case of every company and local authority.

Rates of income-tax

On the whole of the total income. .. 30%

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge of 5 per cent. thereon.

Paragraph C

(1) In every case in which under the provisions of the Income-tax Act, income-tax is to be charged at the maximum rate,

Rates of income-tax

On the whole of the total income. 25%

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge of 20 per cent. thereon.

(2) In every case in which under the provisions of the Income-tax Act, income-tax is to be deducted at the maximum rate, deduction shall be made from the whole income which is to be subjected to such deduction at the following rates, namely:—

	Rate of income-tax on the whole income	Rate of surcharge on the whole income
In the case of every company ..	30%	1·5%
In any other case ..	25%	5%

Paragraph D

In the case of every registered firm,

Rates of income-tax

(1) On the first Rs. 40,000 of total income.	..	Nil
(2) On the next Rs. 35,000 of total income.	..	5%
(3) On the next Rs. 75,000 of total income.	..	6%
(4) On the balance of total income.	..	9%

PART II

Super-tax and surcharge on super-tax

Paragraph A

In the case of every individual, Hindu undivided family, unregistered firm and other association of persons, not being a case to which any other paragraphs of this Part applies.

Rates of super-tax

(1) On the first Rs. 20,000 of total income.	.	Nil
(2) On the next Rs. 5,000 of total income.	..	5%
(3) On the next Rs. 5,000 of total income.	..	15%
(4) On the next Rs. 10,000 of total income.	..	20%
(5) On the next Rs. 10,000 of total income.	..	30%
(6) On the next Rs. 10,000 of total income.	..	35%
(7) On the next Rs. 10,000 of total income.	..	40%
(8) On the balance of total income.	..	45%

Surcharge on super-tax

The amount of super-tax computed at the rates hereinbefore specified shall be increased by a surcharge which shall be the aggregate of the amounts calculated as under:—

(1) five per cent. of the amount of super-tax;

(2) fifteen per cent. of the difference between the amount of super-tax on the total income, and the amount of super-tax on the whole of the earned income, if any, included in the total income, if such earned income had been the total income and

(3) where the earned income included in the total income exceeds Rs. 1,00,000, five per cent. of the difference between the amount of super-tax which would have been payable on the whole of the earned income included in the total income, if such earned income had been the total income and the amount of super-tax payable on a total income of Rs. 1,00,000.

Paragraph B

In the case of every local authority,

Rate of super-tax

On the whole of the total income.	..	16%

Surcharge on super-tax

The amount of super-tax computed at the rate hereinbefore specified shall be increased by a surcharge of 12½% thereon.

Paragraph C

In the case of every association of persons being a co-operative society as defined in clause (5B) of section 2 of the Income-tax Act,

Rates of super-tax

(1) On the first Rs. 25,000 of total income.	.	Nil
(2) On the balance of total income.	..	16%

Surcharge on super-tax

The amount of super-tax computed at the rates hereinbefore specified shall be increased by a surcharge of 12½% thereon.

Paragraph D

In the case of every company,

Rates of super-tax

On the whole of the total income,	..	50%

Provided that,—

(i) a rebate at the rate of 40 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company and a rebate at the rate of 35 per cent. on the balance of the total income shall be allowed in the case of any company which—

(a) in respect of its profits liable to tax under the Income-tax Act for the year ending on the 31st day of March, 1958, has made the prescribed arrangements for the declaration and payment within India of the dividends payable out of such profits and for the deduction of super-tax from dividends in accordance with the provisions of sub-section (3D) of section 18 of that Act; and

(b) is such a company as is referred to in sub-section (9) of section 23A of the Income-tax Act with a total income not exceeding Rs. 25,000;

(ii) a rebate at the rate of 40 per cent. on so much of the total income consists of dividends from a subsidiary Indian company and a rebate

at the rate of 30 per cent. on the balance of the total income shall be allowed in the case of any company which satisfies condition (a) but not condition (b) of the preceding clause;

(iii) a rebate at the rate of 40 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company and a rebate at the rate of 20 per cent. on the balance of the total income shall be allowed in the case of any company not entitled to a rebate under either of the preceding clauses:

Provided further that,—

(i) the amount of the rebate under clause (i) or clause (ii) shall be reduced by the sum, if any, equal to the amount or the aggregate of the amounts, as the case may be, computed as hereunder:—

(a) on that part of the sum arrived at in accordance with clause (i) of the second proviso to paragraph D of Part II of the First Schedule to the Finance Act, 1956 (18 of 1956), as is referable to that amount of bonus shares, bonus or dividends, as the case may be, which has not been deemed to have been taken into account, in accordance with clause (ii) of the said proviso, for the purpose of reducing the rebate mentioned therein to nil.	The whole amount of such part.
(b) on the amount representing the face value of any bonus shares or the amount of any bonus issued to its shareholders during the previous year with a view to increasing the paid-up capital except to the extent to which such bonus shares or bonus have been issued out of premiums received in cash on the issue of its shares; and	at the rate of 30%.
(c) in addition, in the case of a company referred to in clause (ii) of the preceding proviso which has distributed to its shareholders during the previous year dividends in excess of six per cent. of its paid-up capital, not being dividends payable at a fixed rate— on that part of the said dividends which exceeds 6 per cent. but does not exceed 10 per cent. of the paid-up capital;	**at the rate of 10%.**

on that part of the said dividends which exceeds 10 per cent. but does not exceed 18 per cent. of the paid-up capital; at the rate of 20%.

on that part of the said dividends which exceeds 18 per cent. of the paid-up capital. at the rate of 30%.

(ii) where the sum arrived at in accordance with clause (i) of this proviso exceeds the amount of the rebate arrived at in accordance with clause (i) or clause (ii), as the case may be, of the preceding proviso, only so much of the amounts of reduction mentioned in sub-clauses (a), (b) and (c) of clause (i) of this proviso as is sufficient, in that order, to reduce the rebate to *nil* shall be deemed to have been taken into account for the purpose:

Provided further that the super-tax payable by a company the total income of which exceeds rupees twenty-five thousand shall not exceed the aggregate of —

(a) the super-tax which would have been payable by the company if its total income had been rupees twenty-five thousand, and

(b) half the amount by which its total income exceeds rupees twenty-five thousand.

Explanation.—For the purposes of this paragraph—

(i) the expression "paid-up capital" means the paid-up capital (other than capital entitled to a dividend at a fixed rate) of the company as on the first day of the previous year relevant to the assessment for the year ending on the 31st day of March, 1958, increased by any premiums received in cash by the company on the issue of its shares, standing to the credit of the share premium account as on the first day of the previous year aforesaid;

(ii) the expression "dividend" shall be deemed to include any distribution included in the expression "dividend" as defined in clause (6A) of section 2 of the Income-tax Act;

(iii) where any portion of the profits and gains of the company is not included in its total income by reason of such portion being exempt from tax under any provision of the Income-tax Act, the "paid-up capital" of the company, the amount distributed as dividends (not being dividends payable at a fixed rate), the amount representing the face value of any bonus shares and the amount of any bonus issued to the shareholders shall each be deemed to be such proportion thereof as the total income of the company for the previous year bears to its total profits and gains for that year other than capital receipts, reduced by such allowances as may be admissible under the Income-tax which have not been taken into account by the company in its profit and loss account for that year.

THE SECOND SCHEDULE

(*See* section 12)

PART I

In the First Schedule to the Tariff Act,—

(i) in Items Nos. 3, 3(4), 4, 5(1), 11, 11(2), 11(4), 11(5), 12, 15, 15(1), 15(2), 15(4), 15(8), 16(2), 21(2), 23, 25(7), 27(2), 28(5), 28(6)(a) 28(6)(b), 28(7), 28(8), 28(16), 28(17), 28(19), 30(8), 30(10), 32(4), 34(1), 34(2), 36, 39(1), 40, 40(3), 40(4), 40(5), 46(1), 47(1), 47(3), 47(4), 47(5), 47(7), 50, 50(1), 50(2), 50(4), 50(6), 50(7), 52(1), 58, 58(2), 59(6), 63(18)(b), 63(28), 64(4)(b), 65(a), 65(b), 66(a), 66(b), 66(1), 67, 67(1), 68, 69(2), 70, 70(1), 70(3), 70(6), 70(9), 71(1), 71(11), 72(6), 72(12), 73(2), 73(6), 74(1), 75, 75(4), 76(3), 82 and 82(3), for the existing entries against each of them in the fourth column, the entry "35 per cent. *ad valorem*" shall be substituted.

(ii) in Item No. 3(1), for the existing entry in the fourth column, the entry "One rupee per Indian maund of 82-2/7 lbs. plus 10 per cent. *ad valorem*" shall be substituted;

(iii) in Items Nos. 3(2), 43, 63, 63(1), 63(4), 63(5), 63(7), 63(11), 63(13), 63(22), 63(23), 63(26), 63(35), 73(3), 74(2), 74(3) and 76(1), for the existing entries against each of them in the fourth column, the entry "20 per cent. *ad valorem*" shall be substituted;

(iv) in Items Nos. 3(3), 5(2), 11(3), 12(2), 13(2), 13(4), 30(5) and 50(8), for the existing entries against each of them in the fourth and sixth columns, the entries "40 per cent. *ad valorem*" and "30 per cent. *ad valorem*" respectively shall be substituted;

(v) Item No. 4(3) shall be omitted.

(vi) in Items Nos. 5, 14, 28(31)(a), 28(34)(a), 30(9)(a) and 64(a), for the existing entries against each of them in the fourth column, the entry "30 per cent. *ad valorem*" shall be substituted;

(vii) in Items Nos. 7 and 8, for the existing entries against each of them in the fourth and sixth columns, the entries "45 per cent. *ad valorem*" and "35 per cent. *ad valorem*" respectively shall be substituted;

(viii) in Items Nos. 8(3), 11(6)(b), 20(4), 21(1), 22, 25(3), 33, 33(1), 45(b), 45(c), 53, 55, 58(1), 59(1), 63(16), 64(3)(b) and 71(7), for the existing entries against each of them in the fourth column, the entry "50 per cent. *ad valorem*" shall be substituted;

(ix) in Item No. 9, for the existing entries in the fourth and sixth columns, the entries "40 per cent. *ad valorem* plus six naye paise per lb." and "40 per cent *ad valorem*" respecticvely shall be substituted;

(x) in Item No. 9(1), for the existing entries in the fourth and sixth columns, the entries "50 per cent. *ad valorem*" and "40 per cent. *ad valorem*" respectively shall be substituted;

(xi) in Item No. 9(2), for the existing entries in the fourth and sixth columns, the entries "Sixty naye paise per lb." and "Forty-eight naye paise per lb." respectively shall be substituted;

(xii) in Items Nos. 9(3) and 9(4), for the existing entries against each of them in the fourth and sixth columns, the entries "82½ per cent. *ad valorem*" and "75 per cent. *ad valorem*" respectively shall be substituted;

(xiii) in Item No. 9(5), for the existing entry in the fourth column the entry "Rs. 1·03 per lb." shall be substituted;

(xiv) in Items Nos. 11(6)(a), 17(1), 28(11), 28(12), 28(31)(b) 28(34)(b), 30(9)(b), 64(b), 64(3)(a), 70(5) and 72(33), for the existing entries against each of them in the fourth column, the entry "40 per cent. *ad valorem*" shall be substituted;

(xv) in Items Nos. 12(5), 13(1), 22(7), 40(1) and 71(6), for the existing entries against each of them in the fourth column, the entry "5 per cent. *ad valorem*" shall be substituted;

(xvi) in Item No. 13(6), for the existing entry in the fourth column, the entry "Rs. 40 per seer of 80 tolas or 25 per cent. *ad valorem*, whichever is higher" shall be substituted;

(xvii) in Items Nos. 15(6) and 15(7), for the figures "35" and "25" against each of them in the fourth and sixth columns, the figures "45" and "35" respectively shall be substituted;

(xviii) in Items Nos. 17 and 17(3), for the existing entries against each of them in the fourth column, the entry "The rate at which excise duty is for the time being leviable on sugar, other than *khandsari* or palmyra sugar, produced in India plus Rs. 10 per cwt." shall be substituted;

(xix) in Items Nos. 17(2), 19, 31(5), 36(2), 45(a), 45(5), 45(6), 59(2), 59(3), 59(5), 60(1) (a), 60(1) (b), 60(3), 75(6) (b), 75(7) (b), 75(7A)(b), 75(8)(b), 82(2) and 83, for the existing entries against each of them in the fourth column, the entry "75 per cent. *ad valorem*" shall be substituted;

(xx) in Item No. 20(2), for the existing entries in the fourth and sixth columns, the entries "75 per cent. *ad valorem*" and "65 per cent. *ad valorem*" respectively shall be substituted;

(xxi) in Items Nos. 20(5)(a) and 20(8)(a), for the existing entries against each of them in the fourth column, the entry "39 per cent. *ad valorem*" shall be substituted;

(xxii) in Items Nos. 20(5)(b), 20(8)(b) and 20(9)(b), for the existing entries against each of them in the fourth column, the entry "45 per cent. *ad valorem*" shall be substituted;

(xxiii) in Item No. 20(9)(a), for the existing entry in the fourth column, the entry "37 per cent. *ad valorem*" shall be substituted;

(xxiv) in Item No. 22(1), for the existing entries in the fourth column against sub-items (a), (b), (c) and (d), the entries "Rs. 4·50 per Imperial gallon", "75 naye paise per bottle" and "40 naye paise per bottle" and "20 naye paise per bottle respectively shall be substituted;

(xxv) in Item No. 22(2), for the existing entries in the fourth column against sub-items (b), (c) and (d), the entries "Rs. 1·50 per bottle", "75 naye paise per bottle" and "40 naye paise per bottle" respectively shall be substituted;

(xxvi) in Item No. 22(4)—

(1) for the existing entries in the fourth column against each of the sub-items (a) and (b)(ii), the entry "Rs. 120 per Imperial gallon of the strength of London proof or 100 per cent. *ad valorem*, whichever is higher" shall be substituted;

(2) for the existing entry in the fourth column against sub-item (b) (i), the entry "Rs. 150 per Imperial gallon or 100 per cent. *ad valorem,* whichever is higher" shall be substituted; and

(3) proviso (a) shall be omitted;

(xxvii) in Item No. 22(5)—

(1) for the existing entries in the fourth and sixth columns against sub-item (a) (i), the entries "Rs. 73 per Imperial gallon or 45 per cent. *ad valorem,* whichever is higher" and Rs. 68 per Imperial gallon or 35 per cent. *ad valorem*, whichever is higher" respectively shall be substituted;

(2) for the existing entries in the fourth and sixth columns against each of the sub-items (a) (ii) and (d), the entries "Rs. 55·25 per Imperial gallon of the strength of London proof or 45 per cent. *ad valorem,* whichever is higher" and "Rs. 51·50 per Imperial gallon of the strength of London proof or 35 per cent. *ad valorem,* whichever is higher" respectively shall be substituted.

(3) for the existing entries in the fourth, fifth and sixth columns against sub-item (b) (i), the entries "Rs. 48 per Imperial gallon or 45 per cent. *ad valorem*, whichever is higher", "Rs. 44 per Imperial gallon or 35 per cent. *ad valorem*, whichever is higher and "Rs. 44 per Imperial gallon or 35 per cent. *ad valorem*, whichever is higher" respectively shall be substituted;

(4) for the existing entries in the fourth, fifth and sixth columns against sub-item (b) (ii), the entries "Rs. 35 per Imperial gallon of the strength of London proof or 45 per cent. *ad valorem*, whichever is higher", "Rs. 32 per Imperial gallon of the strength of London proof or 35 per cent. *ad valorem*, whichever is higher" and "Rs. 32 per Imperial gallon of the strength of London proof or 35 per cent. *ad valorem*, whichever is higher" respectively shall be substituted; and

(5) proviso (a) shall be omitted;

(xxviii) in Item No. 22(6), for the existing entry in the fourth column, the entry "15 per cent. *ad valorem*" shall be substituted;

(xxix) in Item No. 24, for the existing entry in the fourth column, the entry "Rs. 17 per lb." shall be substituted;

(xxx) in Item No. 24(1), for the existing entry in the fourth column, the entry "40 per cent. *ad valorem* plus Rs. 16·50 per lb." shall be substituted;

(xxxi) in Item No. 24(2), for the existing entry in the fourth column, the entry "40 per cent. *ad valorem,* plus Rs. 41 per thousand or Rs. 16·50 per lb. whichever is higher" shall be substituted;

(xxxii) in Item 24(3), for the existing entries in the fourth and sixth columns, the entry "Rs. 10 per lb." shall be substituted;

(xxxiii) in Item No. 25—

(a) in the third column, the word "revenue" shall be inserted; and

(b) for the existing entry in the fourth column, the entry "10 per cent. *ad valorem*" shall be substituted;

(xxxiv) in Item No. 25(4), for the existing entries in the fourth and fifth columns, the entries "50 per cent. *ad valorem*" and "40 per cent. *ad valorem*" respectively shall be substituted;

(xxxv) in Item No. 25(5), for the existing entry in the fourth column, the entry "Rs. 30 per ton" shall be substituted;

(xxxvi) in Item No. 27, for the existing entry in the fourth column, the entry "Eighty naye paise per ton" shall be substituted;

(xxxvii) in Items Nos. 27(4) (a) and 27(4) (b), for the existing entries against each of them in the fourth column, the entry "20 naye paise per Imperial gallon" shall be substituted;

(xxxviii) in Item No. 27(5), in the fourth column, for the words and figures "Three annas per Imperial gallon or 15 per cent. *ad valorem*", the words and figures "Twenty naye paise per Imperial gallon or 16 per cent. *ad valorem*" shall be substituted;

(xxxix) in Item No. 27(7) (a), for the existing entry in the fourth column, the entry "Rs. 20 per ton or 16 per cent. *ad valorem*, whichever is higher" shall be substituted;

(xl) in Items Nos. 27(7) (b) (1) and 27(7) (b) (2), for the figures "15" against each of them in the fourth column, the figures "16" shall be substituted;

(xli) in Item No. 27(8), for the existing entry in the fourth column, the entry "Twenty naye paise per Imperial gallon or 16 per cent. *ad valorem*, whichever is higher" shall be substituted;

(xlii) in Items Nos. 28, 28(18) (a), 28(18) (b), 28(18) (c) and 28(18) (d), for the existing entries against each of them in the fourth, fifth and sixth columns, the entries "40 per cent. *ad valorem*", "30 per cent. *ad valorem*" and "30 per cent. *ad valorem*" respectively shall be substituted;

(xliii) Item No. 28(2) shall be omitted;

(xliv) In Items Nos. 28 (3) and 39—

(a) in the third column against each of them, the word "revenue" shall be inserted, and

(b) for the existing entries against each of them in the fourth column, the entry "5 per cent *ad valorem*" shall be substituted;

(xlv) in Item No. 28(4) (a), for the existing entry in the fourth column, the entry "Rs. 4·25 per cwt." shall be substituted;

(xlvi) in Item No. 28(4) (b), for the existing entry in the fourth column, the entry "Rs. 5·75 per cwt." shall be substituted;

(xlvii) in Items Nos. 28(7A), 61(7), 75(6) (a), 75(7) (a), 75(7A) (a) and 75(8) (a), for the existing entries against each of them in the fourth column, the entry "65 per cent. *ad valorem*" shall be substituted;

(xlviii) in Item No. 28(8), for the words "magnesium and zinc compounds not otherwise specified" appearing in the second column, the words "magnesium and zinc compounds not otherwise specified, green copperas (ferrous sulphate)" shall be substituted;

(xlix) in Item No. 28(9), for the existing entry in the fourth column, the entry "Rs. 8 per lb." shall be substituted;

(l) in Item No. 28(10), for the existing entry in the fourth column, the entry "25 per cent. *ad valorem* or Rs. 8 per pound of saccharine content, whichever is higher" shall be substituted;

(li) in Item No. 28(15)(a), for the existing entry in the fourth column, the entry "Rs. 3·50 per cwt." shall be substituted;

(lii) in Item No. 28(15)(b), for the existing entry in the fourth column, the entry "Rs. 5 per cwt." shall be substituted;

(liii) in Item No. 28(20), for the figures and words "31½" and "8 annas" in the fourth column against each of the sub-items, the figures and words "35" and "50 naye paise" respectively shall be substituted;

(liv) in Item No. 28(26), for the existing entries in the fourth, fifth and sixth columns, the entries "26 per cent. *ad valorem*", "20 per cent. *ad valorem*" and "20 per cent. *ad valorem*" respectively shall be substituted;

(lv) in Item 28(32), for the existing entries in the fourth column against sub-items (a) and (b), the entries "50 per cent. *ad valorem*" and "60 per cent. *ad valorem*" respectively shall be substituted;

(lvi) in Item No. 29, for the existing entry in the fourth column, the entry "Rs. 1·75 per 100 linear feet" shall be substituted;

(lvii) in Item No. 29(1), for the existing entry in the fourth column, the entry "50 naye paise per linear foot" shall be substituted;

(lviii) in Item No. 30, for the figures "36" and "24" in the fourth and fifth columns, the figures "40" and "30" respectively shall be substituted;

(lix) in Item No. 30(2)—

(1) for the figures and words "30 per cent. *ad valorem* or Rs. 4-12 per cwt., whichever is higher" plus one-fifth of the total duty" in the fourth column against sub-item (a), the figures and words "40 per cent. *ad valorem*" shall be substituted;

(2) for the figures and words "30 per cent. *ad valorem* or Rs. 5-12 per cwt., whichever is higher, plus one-fifth of the total duty" in the fourth column against sub-item (b), the figures and words "40 per cent. *ad valorem*" shall be substituted;

(3) for the figures and words "30 per cent. *ad valorem* or Rs. 6 per cwt., whichever is higher, plus one-fifth of the total duty" in the fourth column against sub-item (b), the figures and words "40 per cent. *ad valorem*" shall be substituted;

(4) for the word and figures "Rs. 8-8" in the fourth column against sub-item (cc)(i), the word and figures "Rs. 8·50" shall be substituted;

(5) for the word and figures "Rs. 11-4" in the fourth column against sub-item (cc)(ii), the word and figures "Rs. 11·25" shall be substituted; and

(6) for the figures "24" in the fifth column against each of the sub-items (a), (b) and (c), the figures "30" shall be substituted;

(lx) in Item No. 30(3), for the existing entries in the fourth column against each of the sub-items (a), (b), (c) and (d), the entry "35 per cent. *ad valorem* plus the excise duty for the time being leviable on like

articles if produced or manufactuerd in India, and where such duty is leviable at different rates, the highest duty" shall be substituted;

(lxi) in Item No. 30(4), for the figures "25" in the fourth column, the figures "35" shall be substituted;

(lxii) in Items Nos. 30(7) and 45(4), for the existing entries against each of them in the fourth column, the entry "15 naye paise for every length of 7½ inches or part thereof or 75 per cent. *ad valorem*, whichever is higher" shall be substituted;

(lxiii) in Item No. 30(14) (a), for the figures "34" in the fourth column, the figures "35" shall be substituted;

(lxiv) in Item No. 30(14) (b), for the figures "44" in the fourth column, the figures "45" shall be substituted;

(lxv) in Items Nos 32, 32(1), 32(2), 37, 37(1), 37(2), 38, 40(2), 42, 50(5), 61(4), 61(6), 61(9), 61(10), 70(10), 70(11), 71(2), 71(3), 82(1) and 85(2), for the existing entries against each of them in the fourth column, the entry "100 per cent. *ad valorem*" shall be substituted;

(lxvi) in Items Nos. 34, 34(3), 61(5), 61(8), 80, 80(1), 80(2)(a), 80(2) (b), 80(2) (c), 80(2) (d), 80(2) (e), 80(2) (f), 80(2) (g), 80(4), 81, 84(a) and 85(1), for the existing entries against each of them in the fourth column, the entry "30 per cent. *ad valorem*" shall be substituted;

(lxvii) in Item No. 44, for the figures "37½" in the fourth column, the figures "40" shall be substituted;

(lxviii) in Items Nos. 44(4) and 44(7), for the figures "66-2/3" against each of them in the fourth column, the figures "75" shall be substituted;

(lxix) in Item No. 46, for the existing entry in the fourth column, the entry "35 per cent. *ad valorem* plus Rs. 4 per lb." shall be substituted;

(lxx) in Item No. 46(3), for the existing entry in the fourth column, the entry "12 naye paise per lb." shall be substituted;

(lxxi) in Item No. 47(6) (a), for the figures "5" and "6¼" in the fourth column against sub-item (i) and (ii), the figures "6¼" and "7½" respectively shall be substituted;

(lxxii) in Item No. 47(6) (b) (i), for the existing entry in the fourth column, the entry "6¼ per cent. *ad valorem* or 10 naye paise per lb., whichever is higher" shall be substituted;

(lxxiii) in Item No. 47(6) (b) (ii), for the existing entry in the fourth column, the entry "7½ per cent. *ad valorem* or 15 naye paise per lb., withchever is higher" shall be substituted:

(lxxiv) in Items Nos. 47(8), 71(5), 72(34), 72(40) (a) and 72(40) (b), for the existing entries against each of them in the fourth column, the entry "10 per cent. *ad valorem*" shall be substituted;

(lxxv) in Item No. 48—

(1) for the existing entries in the fourth column against each of the sub-items (a) and (b), the entry "120 per cent. *ad valorem* plus Rs. 8·50 per lb." shall be substituted; and

(2) for the existing entry in the fourth column against sub-item (c), the entry "120 per cent. *ad valorem* plus Rs. 6·25 per lb." shall be substituted;

(lxxvi) in Items Nos. 48(1)(a) and 48(5)(b)(i) for the figure and words "7 annas per square yard" against each of them in the fourth column, the figures and words "45 naye paise per square yard" shall be substituted;

(lxxvii) in Items Nos. 48(1)(b) and 48(5)(b)(ii), for the figures and words "14 annas per square yard" against each of them in the fourth column, the figures and words "90 naye paise per square yard" shall be substituted;

(lxxviii) in Item No. 48(5(a)(i), for the figures and words "5½ annas per square yard" in the fourth column, the figures and words "35 naye paise per square yard" shall be substituted;

(lxxix) in Item No. 48(5)(a)(ii), for the figures and words "11 annas per square yard" in the fourth column, the figures and words "70 naye paise per square yard" shall be substituted;

(lxxx) in Items Nos. 49(a) and 49(b), for the words "The *ad valorem* rates of duty" against each of them in the fourth column, the figures and words "1½ times the *ad valorem* rates of duty" shall be substituted;

(lxxxi) in Item No. 49(5), for the existing entry in the fourth column, the entry "50 naye paise per lb." shall be substituted;

(lxxxii) in Item No. 54(2), for the existing entry in the fourth column, the entry "35 per cent. *ad valorem* or 25 naye paise per pair, whichever is higher" shall be substituted;

(lxxxiii) in Item No. 59(4), for the existing entry in the fourth column, the entry "75 per cent. *ad valorem* or 80 naye paise per square foot, whichever is higher" shall be substituted;

(lxxxiv) in Items Nos. 60, 60(6) and 60(7), for the existing entry in the fourth column, the entry "70 per cent. *ad valorem*" shall be substituted;

(lxxxvi) in Item No. 60(8)(b), for the existing entry in the fourth column, the entry "75 per cent. *ad valorem* or Rs. 4·50 per flask, whichever is higher" shall be substituted;

(lxxxvi) in Item No. 60(8)(b), for the existing entry in the fourth column, the entry "75 per cent. *ad valorem* or Rs. 3·50 per refill or inner, whichever is higher" shall be substituted;

(lxxxvii) in Items Nos. 61(2) and 62(1), for the existing entries against each of them in the fourth column, the entry "50 naye paise per ounce" shall be substituted;

(lxxxix) in Items Nos. 61(3) and 62(2), for the existing entries against each of them in the fourth column, the entry "Rs. 30 per tola of 180 grains fine" shall be substituted;

(xc) in Item No. 63(3)—

(1) for the existing entry in the fourth column against sub-item (i), the entry "Rs. 31 per ton or 10 per cent. *ad valorem* whichever is higher", shall be substituted; and

(2) for the existing entry in the fourth column against sub-item (ii), the entry "Rs. 60 per ton or 20 per cent. *ad valorem*, whichever is higher", shall be substituted;

(xci) in Item No. 63(6), for the existing entry in the fourth column against sub-item (ii), the entry "Rs. 75 per ton" shall be substituted;

(xcii) in Item No. 63(8), for the existing entry in the fourth column, the entry "Rs. 5 per ton or 20 per cent. *ad valorem*, whichever is higher" shall be substituted;

(xciii) in Item No. 63(10), for the existing entries in the fourth column against sub-items (i) and (ii), the entries "Rs. 60 per ton" and "Rs. 81 per, ton" respectively shall be substituted;

(xciv) in Items Nos. 63(14), 63(24), 63(34)(a), 63(34)(b) and 63(34)(c), for the existing entries against each of them in the fourth and fifth columns, the entries "25 per cent. *ad valorem*" and "15 per cent. *ad valorem*" respectively shall be substituted;

(xcv) in Item No. 63(17), for the existing entries in the fourth column against sub-items (i) and (ii), the entries "Rs. 32 per ton or 10 per cent. *ad valorem*. whichever is higher" and "Rs. 55 per ton" respectively shall be substituted;

(xcvi) in Item No. 63(20)—

(1) for the existing entry in the fourth column against sub-item (a)(1)(i), the entry "Rs. 29 per ton or 10 per cent. *ad valorem*, whichever is higher" shall be substituted;

(2) for the existing entry in the fourth column, against sub-item (a)(1)(ii), the entry "Rs. 50 per ton" shall be substituted;

(3) for the existing entry in the fourth column against sub-item (a)(2)(i), the entry "Rs. 30 per ton or 10 per cent. *ad valorem*, whichever is higher" shall be substituted;

(4) for the existing entry in the fourth column against sub-item (a)(2)(ii), the entry "Rs. 60 per ton" shall be substituted;

(5) for the existing entries in the fourth column against each of the sub-items (b)(1)(i) and (b)(2)(i), the entry "Rs. 32 per ton or 10 per cent. *ad valorem*, whichever is higher" shall be substituted;

(6) for the existing entry in the fourth column against sub-item (b)(1)(ii), the entry "Rs. 55 per ton" shall be substituted; and

(7) for the existing entry in the fourth column against sub-item (b)(2)(ii), the entry "Rs. 65 per ton" shall be substituted;

(xcvii) in Item No. 63(21)—

(1) for the existing entries in the fourth column against each of the sub-items A(a)(i) and B(a)(i), the entry "Rs. 10 per ton or 15 per cent. *ad valorem*, whichever is higher" shall be substituted;

(2) for the existing entries in the fourh column against each of the sub-items A(a)(ii) and B(a)(ii), the entry "Rs. 10 per ton or 25 per cent. *ad valorem*, whichever is higher" shall be substituted;

(3) for the existing entries in the fourth column against each of the sub-items A(b)(i) and D(i), the entry "Rs. 31 per ton or 10 per cent. *ad valorem*, whichever is higher" shall be substituted:

(4) for the existing entries in the fourth column against each of the sub-items A(b)(ii) and D(ii), the entry "Rs. 60 per ton" shall be substituted;

(5) for the existing entry in the fourth column against sub-item B(b)(i), the entry "Rs. 33 per ton or 10 per cent. *ad valorem*, whichever is higher" shall be substituted;

(6) for the existing entry in the fourth column against sub-item B(b)(ii), the entry "Rs. 65 per ton" shall be substituted;

(7) for the existing entry in the fourth column against sub-item C(ii), the entry "Rs. 10 per ton or 20 per cent. *ad valorem*, whichever is higher" shall be substituted;

(8) for the existing entry in the fourth column against sub-item C(ii), the entry "Rs. 10 per ton or 20 per cent. *ad valorem*, whichever is higher" shall be substituted;

(9) for the existing entries in the fourth column against each of the sub-items E(i) and F(i), the entry "Rs. 30 per ton or 10 per cent. *ad valorem*, whichever is higher" shall be substituted; and

(10) for the existing entries in the fourth column against each of the sub-items E(ii) and F(ii), the entry "Rs. 80 per ton" shall be substituted;

(xcviii) in Item No. 63(25), for the existing entries in the fourth column against sub-items (i) and (ii), the entries "25 per cent. *ad valorem*" and "25 per cent. *ad valorem* plus Rs. 35 per ton" respectively shall be substituted;

(xcix) in Item No. 63(27), for the existing entries in the fourth column against sub-items (i) and (ii), the entries "Rs. 15 per ton or 15 per cent., *ad valorem*, whichever is higher" and "Rs. 42·50 per ton or 25 per cent. *ad valorem*, whichever is higher" respectively shall be substituted;

(c) in Item No. 63(30), for the existing entries in the fourth column against sub-items (a) and (b), the entries "35 per cent. *ad valorem*" and "45 per cent. *ad valorem*" respectively shall be substituted;

(ci) in Item No. 63(31), for the existing entries in the fourth column against sub-items (a) and (b), the entries "Rs. 29 per ton or 10 per cent. *ad valorem*, whichever is higher" and "Rs. 50 per ton" respectively shall be substituted;

(cii) in Item No. 63(32), for the existing entries in the fourth column against sub-items (a) and (b), the entries "Rs. 50 per ton" and "Rs. 85 per ton" respectively shall be substituted;

(ciii) in Item No. 63(33)(a), for the existing entry in the fourth column, the entry "35 per cent. *ad valorem* or 35 naye paise per gross, whichever is higher" shall be substituted;

(civ) in Item No. 63(33)(b), for the existing entry in the fourth column, the entry "50 per cent. *ad valorem* or 60 naye paise per gross, whichever is higher" shall be substituted;

(cv) in Items Nos. 64(4)(a), 67(2), 68(2) and 70(2), for the existing entries against each of them in the fourth column, the entry "25 per cent *ad valorem*" shall be substituted;

(cvi) in Item No. 71(4), for the existing entry in the fourth column, the entry "Ten naye paise per lb." shall be substituted;

(cvii) in Item No. 71(10)(b), for the figure and words "3 annas per dozen" in the fourth column, the words and figures "Rs. 2·25 per gross" shall be substituted;

(cviii) in Item No. 71(13), for the figures and words "15 annas per foot" in the fourth column against each of the sub-items (a), (b) and (c), the words "one rupee per foot" shall be substituted;

(cix) in Item No. 72(10), for the existing entries in the fourth and fifth columns, the entries "40 per cent. *ad valorem*" and "30 per cent. *ad valorem*" respectively shall be substituted;

(cx) in Items Nos. 72(35), 72(36) and 72(37), for the existing entries against each of them in the fourth column, the entry "95 per cent. *ad valorem*" shall be substituted;

(cxi) in Item No. 73(1), for the words "and wires and cables of other metals of not more than equivalent conductivity" in the second column, the words "and wires and cables of other metals and alloys of not more than equivalent conductivity" shall be substituted;

(cxii) in Item No. 73(7)(b), for the figures "31½" in the fourth column, the figures "35" shall be substituted;

(cxiii) in Item No. 73(15), for the figures "45½" in the fourth column, the figures "50" shall be substituted;

(cxiv) in Item No. 74, for the existing entries in the fourth column against sub-items (a) and (b), the entries "Rs. 20 per ton or 15 per cent. *ad valorem*, whichever is higher" and "Rs. 60 per ton or 25 per cent. *ad valorem*, whichever is higher" respectively shall be substituted;

(cxv) in Item No. 75(2), for the existing entries in the fourth and fifth columns, the entries "47½ per cent. *ad valorem*" and "40 per cent. *ad valorem*" shall be substituted;

(cxvi) in Items Nos. 75(3) and 75(13), for the existing entries against each of them in the fourth and fifth columns, the entries "32½ per cent. *ad valorem*" and "25 per cent. *ad valorem*" respectively shall be substituted;

(cxvii) in Item No. 75(5)(a), for the existing entry in the fourth column, the entry "65 per cent. *ad valorem* or Rs. 80 per cycle, whichever is higher" shall be substituted;

(cxviii) in Item No. 75(5)(b), for the existing entry in the fourth column, the entry "Rate of duty actually charged at the time for such products of the United Kingdom origin plus 10 per cent. *ad valorem*" shall be substituted;

(cxix) in Item No. 76, for the existing entry in the fourth column, the entry "3 per cent. *ad valorem*" shall be substituted;

(cxx) in Item No. 77(3), for the existing entries in the fourth and sixth columns, the entries "30 per cent. *ad valorem*" and "20 per cent. *ad valorem*" respectively shall be substituted.

PART II

In the First Schedule to the Tariff Act, for Items Nos. 18, 21, 30(2)(d), 34(4), 46(4), 47, 63(4), 63(9), 63(19), 63(29), 72(4), 73(5), and 87, the following items shall respectively be substituted, namely:—

Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty
				The United Kingdom	A British Colony	
1	2	3	4	5	6	7
"18	Cocoa and chocolate other than confectionery—					
	(a) Cocoa powder . .	Protective . .	35 per cent *ad valorem*.	..	..	December 31st. 1957
	(b) Chocolate other than confectionery.	Protective . .	50 per cent *ad valorem* or Re. 1 per lb., whichever is higher.	..	..	December 31st. 1957
21	Provisions, canned, bottled or otherwise packed for retail sale, not otherwise specified.	Revenue . .	75 per cent *ad valorem*.	..	..	..
30(2)	(d) Paints, other sorts, coloured, moist.	Preferential revenue	40 per cent *ad valorem* plus the excise duty for the time being leviable on like articles if produced or manufactured in India and where such duty is leviable at different rates, the highest duty.	30 per cent *ad valorem* plus the excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable at different rates, the highest duty.		

34 (4)	Matches, undipped splints and veneers—					
	(a) Matches	Protective	One naya paisa for every 10 matches or part thereof.	..	.	..
	(b) Undipped splints such as are ordinarily used for match-making.	Protective	50 naye paise per lb.	..	..	..
	(c) Veneers such as are ordinarily used for making boxes, including boxes and parts of boxes made of such veneers.	Protective	60 naye paisa per lb.	..	..	..
46 (4)	Textile Meterials, the following—					
	(a) Raw hemp	Revenue	25 per cent *ad valorem*	..	..	..
	(b) Raw flax, jute and all other unmanufactured textile materials not otherwise specified.	Revenue	35 per cent *ad valorem*	..	..	.
47	Silk yarn including thrown silk warps and yarn spun from silk waste or noils, but excluding sewing thread—					
	(a) Silk yarn including thrown silk warps.	Protective	35 per cent *ad valorem* plus Rs. 4 per lb.	..	.	December 31st, 1958
	(b) Yarn spun from silk waste.	Protective	35 per cent *ad valorem* plus Rs. 5·25 per lb.	..	..	December 31st, 1958
	(c) Yarn spun from noils	Protective	35 per cent *ad valorem.*	..	..	December 31st, 1958

1	2	3	4	5	6	7
63 (2)	Iron or steel angle, channel, tee, flat [other than alloy, tool or special steel specified in Item No. 63 (30)], beam, zed, trough and piling—					
	(a) not fabricated—					
	(i) of British manufacture	Revenue	Rs. 22 per ton or 10 per cent *ad valorem*, whichever is higher.	..	..	..
	(ii) not of British manufacture.	Revenue	Rs. 65 per ton	..	..	..
	(b) fabricated	Revenue	Rs. 60 per ton.	..	..	..
69 (9)	Iron or steel structures, fabricated partially or wholly, not otherwise specified, if made mainly or wholly of iron or steel bars, sections, plates or sheets for the construction of buildings, bridges, tanks, well curbs, trastles, towers and similar structures or for parts thereof, but not indluding builder's hardware or any of the articles specified in Items Nos. 72, 72(3), 74(1), 75(3), 75(4) or 76(1).	Revenue	Rs. 60 per ton.	.	..	..

63(19)	Iron or steel plates excluding cast iron plates—					
	(*a*) not fabricated—					
	(*i*) of British manufacture	Revenue	Rs. 15 per ton or 10 per cent *ad valorem*. whichever is higher.	..	..	
	(*ii*) not of British manufacture.	Revenue	Rs. 40 per ton	..		.
	(*b*) fabricated	Revenue	Rs. 60 per ton	..	..	.
63(29)	Enamelled ironware, the following, namely.					
	(*a*) Sign-boards	Revenue	50 per cent *ad valorem*.	..	..	.
	(*b*) Domestic hollow-ware the following, namely, basins, bowls, dishes, plates and thalas, including rice-cups, rice-bowls and rice-plates.	Revenue	50 per cent *ad valorem*.	..	..	..
72 (4)	Passenger lifts and escalators, and component parts and accessories thereof					
	(*a*) passenger lifts and component parts and accessories thereof.	Revenue	25 per cent *ad valorem*.	..	..	..
	(*b*) escalators and component parts and accessories thereof	Revenue	35 per cent *ad valorem*.	..	..	..

1	2	3	4	5	6	7
73(5)	Electrical earthenware, and porcelain, the following namely:—					
	(*a*) Insulators, Shackle, Sinclair, Cordeaux or Pintype, not otherwise speccifid.	Revenue	60 per cent *ad valorem*	..	..	..
	(*b*) Two-way cleats	Revenue	60 per cent *ad valorem.*	..	..	..
	(*c*) Spacing insulators	Revenue	60 per cent *ad valorem*	..	..	..
	(*d*) Celling roses	Revenue	60 per cent *ad valorem.*	..	..	..
	(*c*) Joint-box cut-outs	Revenue	60 per cent *ad valorem.*	..	..	..
87	All other articles not otherwise specified.	Revenue	40 per cent *ad valorem.*	..	..	..

PART III

In the First Schedule to the Tariff Act, after Item No. 82(4), the following Item shall be inserted:—

1	2	3	4	5	6	7
"82(5)	Adhesive tape, all sorts, including celulose adhesive tape and paper-backed adhesive tape.	Revenue	75 per cent *ad valorem.*	..	..	..

PART IV

For the Second Schedule to the Tariff Act, the following shall be substituted, namely:—

"THE SECOND SCHEDULE—EXPORT TARIFF

Item No.	Name of article	Rate of duty
1	Raw Jute (including Bimlipatam jute and mesta fibre)—	
	(1) Cuttings	Rs. 45·0 per bale of 400 lbs.
	(2) All other descriptions	Rs. 15 per bale of 400 lbs.
2	Jute Manufactures (including manufactures of Bimlipatam jute or of mesta fibre), when not in actual use as coverings, receptacle or bindings for other goods—	
	(i) Sacking (cloth, bags, twist, yarn, rope and twine).	Rs. 350 per ton of 2240 lbs.
	(ii) Hessians	Rs. 1,500 per ton of 2240 lbs.
	(iii) All other descriptions of Jute Manufactures not otherwise specified.	Rs. 80 per ton of 2240 lbs.
3	Raw Cotton	Rs. 400 per bale of 400 lbs.
3(1)	Cotton waste (all sorts)	50 per cent *ad valorem*.
4	Rice, husked or unhusked, including rice flour but excluding rice bran and rice dust.	20 per cent *ad valorem*.
5	Tea—	
	When the price of tea:—	
	(i) does not exceeds Rs. 2·50 per lb.	25 naye paise per lb.
	(ii) exceeds Rs. 2·50 per lb. but does not exceed Rs. 3·25 per lb.	38 naye paise per lb.

Item No.	Name of article	Rate of duty
	(iii) exceeds Rs. 3·25 per lb. but does not exceed Rs. 4·00 per lb.	50 naye paise per lb.
	(iv) exceeds Rs. 4·00 per lb. but does not exceed Rs. 4·75 per lb.	63 naye paise per lb.
	(v) exceeds Rs. 4·75 per lb.	75 naye paise per lb.
	Explanation.—'Price of tea' means the price which the Central Government may, having regard to world prices of tea, fix for this purpose from time to time by notification in the Official Gazette.	
6	Cloth	
	"Cloth" means cloth of any description manufactured either wholly from cotton or partly from cotton and partly from any other substance and containing not less than ten per cent of cotton by weight but does not include—	25 per cent *ad valorem*
	(i) Cloth of handloom manufacture;	
	(ii) Cloth in which the average count of yarn, determined in the manner herein described, is 17s or finer.	
	Explanation :—	
	(a) "Count" means count of grey yarn;	
	(b) For the purpose of determining the average count of yarn, the following rules shall apply, namely :—	
	(i) yarn use in the borders or selvedges shall be ignored ;	
	(ii) for multiple-fold yarn, the count of the basic single yarn shall be taken and the number of ends per inch in the reed or the number of picks per inch as the case may be, shall be multiplied by the number of plies in the yarn;	

Item No.	Name of article	Rate of duty
	(iii) the average count shall be obtained by applying the following formula, namely:— "(Count of warp × number of ends per inch in the reed) + (count of weft × number of picks per inch). ——————————— (Number of ends per inch in the reed) + (Number of picks per inch) the result being rounded off, wherever necessary, by treating any fraction which is one-half or more as one, and disregarding any fraction which is less than one-half";	
	(iii) Furnishing fabrics, hosiery, apparel, blankets, bed-covers, towels, dusters and napkins.	
7	Manganese ore	25 per cent. *ad valorem.*
8	Cigarettes, Cigars and Cheroots ..	15 per cent. *ad valorem.*
9	Mustard Oil	50 naye paise per lb.
9(1)	Groundnut Oil	Rs. 350 per ton of 2240 lbs.
10(a)	Iron and steel, other than sheets, the following:—	45 per cent. *ad valorem.*
	Ingots; blooms; billets; tinbars; sheet bars and slabs; steel castings, heavy structurals (including heavy sections of joists, channels and angles); light structurals (including light sections of joists, channels, angles, tees and light rails of 30 lbs. and under); tyres, wheels and axles; shell steel ingots, blooms, billets and bars; heavy rails (over 30 lbs.); fish plates; dog-spikes; chair-spikes; screw-spikes; tinplate; terneplate; plates (ship-building); plates (ordinary mild steel and tensile); plates (bullet proof); bars (including flats, squares, rounds,	

Item No.	Name of article	Rate of duty
	hexagons and rods); bolts (including fish bolts), nuts and rivets; black or galvanised wire, whether plain or barbed; wire nails; wire (miscellaneous); hoops and strips; spring steel in any unfabricated or semi-fabricated form; tool steel in any unfabricated or semi-fabricated form; steel pressure pipes; tubes and fittings, coated or uncoated; excluding electrical conduit pipes; cast iron pressure pipes and specials; pressure pipes made of any substance reinforced with iron and steel; and wire ropes.	
10(b)	Iron and steel black sheets and galvanised sheets (plan and corrugated).	30 per cent. *ad valorem.*
11	Black pepper	30 per cent. *ad valorem.*
12	Raw wool	30 per cent. *ad valorem.*
13	Groundnuts	Rs. 300 per ton of 2240 lbs.
14	Oilseeds, not otherwise specified ..	Rs. 150 per ton of 2240 lbs.
15	Vegetable Oils, not otherwise specified.	Rs. 300 per ton of 2240 lbs.
16	Mercury	Rs. 300 per flask of 75 lbs.
17	Coffee	Rs. 62·50 per cwt.
18	Groundnut oilcake	Rs. 230 per ton of 2240 lbs.
19	De-oiled groundnut meal (solvent extracted variety containing less than 1 per cent. oil).	Rs. 175 per ton of 2240 lbs.
20	Decorticated cotton seed oilcakes ..	Rs. 100 per ton of 2240 lbs.
21	All oilcakes other than the following, namely, groundnut, copra, mowha, tobacco seed, neem seed, and decorticated cotton seed oil cakes.	Rs. 50 per ton of 2240 lbs."

STATEMENT OF OBJECTS AND REASONS

Pending the consideration of the Budget proposals for the financial year 1957-58, the Finance Act, 1957, provided for the continuance of the taxes on income and the duties of customs and excise at the 1956-57 rates with certain modifications. The object of this Bill is to give effect to the financial proposals of the Central Government for the financial year 1957-58. The notes on clauses explain the various provisions contained therein.

T. T. KRISHNAMACHARI.

NEW DELHI;
The 15*th May*, 1957.

NOTES ON CLAUSES

Clause 2 prescribes the rates of income-tax and super-tax for the financial year 1957-58 in supersession of the rates prescribed by the Finance Act, 1957:

(1) The rates which have so far been expressed in terms of annas and pies are, as a consequence of the introduction of decimal coinage expressed in terms of percentages.

(2) For individuals—

(i) the taxable minimum has been lowered to Rs. 3,000,

(ii) a decrease has been effected in the rates applicable to the lower slabs of income,

(iii) a more even rate of progression has been achieved by the introduction of an intermediate slab between Rs. 10,000 and 15,000,

(iv) the maximum rate of income-tax has been maintained at 25 per cent., but it will operate above the level of Rs. 20,000,

(v) the super-tax free slab has been kept at Rs. 20,000, but a comparatively more even rate of progression is maintained with slight lowering of the maximum rate—which is reached at a level of Rs. 70,000,

(vi) a basic surcharge of five per cent., an additional surcharge of five per cent. on earned income which exceeds rupees one lakh and a further surcharge of fifteen per cent. on unearned income have been introduced.

(3) For Hindu undivided families—

the taxable minimum has been lowered to Rs. 6,000 in the case of families with more than two adult members.

(3) For companies—

(i) the basic rate of income-tax has been fixed at 30 per cent. as against the existing rate of 25 per cent.,

(ii) effective rate of super-tax on Indian companies has been raised to 20 per cent., *i.e.*, by about 3 per cent.,

(iii) on bonus issues the additional super tax has been raised from 12½ per cent. to 30 per cent.,

(iv) on excess distributions of dividends over the three levels of 6 per cent., 10 per cent. and 18 per cent. of the paid-up capital, the additional super-tax has been lowered from 12½ per cent., 25 per cent., and 37½ per cent. to 10 per cent., 20 per cent. and 30 per cent. respectively,

(v) the effective rate of super-tax on dividends received by principal companies from subsidiaries has been reduced from 17½ per cent. to 10 per cent.,

(vi) effective rate of super-tax on Indian branches of foreign companies has been reduced from 36 per cent. to 30 per cent.

Clause 3 inserts a new clause (xviib) to sub-section (3) of section 4 of the Income-tax Act and provides for the exemption of interest on securities issued or other moneys borrowed outside India by the Central or a State Government or a local authority.

Clause 4 amends sub-sections (2B) and (2C) of section 10 of the Income-tax Act, mainly with a view to clarifying the intention of Government and removing some procedural difficulties which are likely to arise in the administration of the compulsory deposit scheme for companies.

Clause 5 raises from one-fifth to one-fourth the limit upto which abatement is available for income-tax purposes on provident fund contributions and payment of life insurance premia. The maximum amount on which the rebate is available, however, continues to be Rs. 8,000 as at present.

Clause 6 prescribes the rate of tax for non-residents at nineteen per cent. instead of the existing equivalent of three annas in the rupee

Clause 7 amends section 23A of the Income-tax Act. Sub-sections (1) and (2) of section 23A have been recast by sub-clause (i) with a view to fixing for various categories of companies the percentages of available profits which they should distribute in order to avoid the extra rates of super-tax prescribed in section 23A. The percentage is 45 per cent. in the case of industrial companies. In the case of non-industrial companies other than investment companies, the percentage is 60 per cent. in general and 90 per cent. in special circumstances. Where a company's activities are partly industrial and partly non-industrial, the percentage applicable is 45 per cent. on industrial profits, and 60 per cent. or 90 per cent. as the case may be on non-industrial profits. For investment companies the percentage is 100 per cent.

Sub-clause (ii) deletes sub-sections (3), (4), (5), (6) and (7) which at present provide for representations by an industrial company to the Commissioner of Income-tax and the Board of Referees seeking exemption from the application of this section and the carry forward of excess distributions of preceding three years because a reduced percentage of 45 is now fixed for industrial companies.

Other sub-clauses carry out some consequential changes.

Clause 8 amends section 24 of the Income-tax Act in order to secure that a loss shall not be carried forward for more than eight years.

Clauses 9 *and* 10 replacing sections 58E and 58F provide for the exclusion of employer's contributions to a recognised provident fund, upto a limit of ten per cent. of salary, from the total income of the employee. Interest, subject to certain limits, on accumulated balances is already excluded.

Clause 11 is a formal provision relating to the time from which the amendments take effect.

Clause 12.—Sub-clause (1), read with Parts I, II and III of the Second Schedule, proposes certain changes in import duties. These are intended mainly to rationalise the tariff rates, for example, by merging the existing 'additional duties' which have been a recurring feature of the Finance Act for several years or by rounding off fractional rates. Certain increases in import duties—mostly on what may be called luxury items—have also been proposed.

Part IV of the Second Schedule seeks to substitute the schedule of export duties by a fresh schedule for the purpose of removing a mistake

in the column-wise arrangement of the entries in the Schedule. No changes in the duties have been proposed except for conversion of the rates of duty in terms of decimal coinage.

Sub-clause (2) seeks to clarify the meaning of the expression "plus the excise duty for the time being leviable on like articles if produced or manufactured in India", which occurs in several places.

Clause 13.—Sub-clause (a) proposes an increase of the excise duty on kerosene.

Sub-clause (b) proposes an increase of the excise duty on matches.

Sub-clause (c) proposes an increase of the excise duty on motor spirit from Re. 0-15-9 (inclusive of surcharge) per imperial gallon to Rs. 1·25 per imperial gallon.

Sub-clause (d) proposes an increase of the excise duty on steel ingots from Rs. 4-0-0 per ton to Rs. 40·00 per ton.

Sub-clause (e) proposes an increase of the excise duty on sugar from Rs. 5-10-0 per cwt. to Rs. 11·25 per cwt.

Sub-clause (f) seeks to amend sub-items I(5) and I(6) of Item No. 9 relating to unmanufactured tobacco, other than flue cured. It also proposes certain changes in the rates of excise duty on other than flue cured tobacco.

Sub-clause (g) proposes an increase of the excise duty on coffee from Re. 0-3-0 per lb. to thirty-five naye paise per lb.

Sub-clause (h) proposes alterations in the excise duty on all categories of tea.

Sub-clause (i) proposes an increase of the excise duty on cement from Rs. 5-0-0 per ton to Rs. 20·00 per ton.

Sub-clause (j) seeks to rearrange the existing tariff and also proposes certain changes in the excise duty on all categories of paper.

Sub-clause (k) proposes an increase of the excise duty on vegetable non-essential oils from Rs. 70-0-0 per ton to Rs. 112·00 per ton.

Sub-clause (l) proposes an increase of the excise duty on refined diesel oils and vaporising oil from Re. 0-4-0 per imperial gallon to forty naye paise per imperial gallon.

Sub-clause (m) proposes an increase of the excise duty on diesel oil, not otherwise specified, from Rs. 30 per ton to Rs. 40·00 per ton.

Clause 14.—Item (i) is a formal amendment intended to bring the Schedule into the line with the classification adopted with respect to Letter Cards in the rules under sections 7 and 8 of the Act.

Item (ii) seeks to increase the rate of postage on postcards under the various categories from 3, 6, 5 and 10 naye paise to 4, 8, 6 and 12 naye paise respectively.

Item (iii) seeks to increase the rate of postage on the first five tolas in the first entry under Book, Pattern and Sample Packs from 6 naye paise to 8 naye paise.

Item (iv) seeks to increase the parcel postage rate on the first forty tolas from 50 naye paise to 60 naye paise.

Clause 15.—Sub-clause (1) repeals all existing additional duties of customs and excise specified in sections 31 and 37 of, read with the Third and the Fourth Schedules to, the Finance Act, 1956, as continued

in force by the Finance Act, 1957. These additional duties have now been merged in the basic duties.

Sub-clause (2) repeals the provisions of the Finance Act, 1957, relating to income-tax and super-tax retrospectively as the rates will now be regulated by this Bill.

LOK SABHA

A

BILL

to give effect to the financial proposals of the Central Government for the financial year 1957-58.

The President has, in pursuance of clauses (1) and (3) of article 117 and clause (1) of article 274 of the Constitution of India, recommended to the Lok Sabha, the introduction and consideration of the Bill.

M. N. KAUL,
Secretary.

(*Shri T. T. Krishnamachari,*
Minister of Finance.)

THE WEALTH-TAX BILL, 1957

ARRANGEMENT OF CLAUSES

CHAPTER I

PRELIMINARY

THE WEALTH-TAX BILL, 1957

(AS INTRODUCED IN LOK SABHA)

A

BILL

to provide for the levy of wealth-tax.

CHAPTER I

PRELIMINARY

1. *Short title, extent and commencement.*—(1) This Act may be called the Wealth-tax Act, 1957.

(2) It extends to the whole of India.

(3) It shall be deemed to have come into force on the 1st day of April, 1957.

2. *Definitions.*—In this Act, unless the context otherwise requires,—

(a) 'adviser' means a person appointed by the Central Government to exercise the functions of an adviser under sub-section (10) of section 24;

(b) 'Appellate Assistant Commissioner' means a person empowered to exercise the functions of an Appellate Assistant Commissioner of Wealth-tax under section 9;

(c) 'Appellate Tribunal' means the Appellate Tribunal appointed under section 5A of the Income-tax Act;

(d) 'assessee' means a person by whom wealth-tax or any other sum of money is payable under this Act, and includes every person in respect of whom any proceeding under this Act has been taken for the assessment of the value of his assets;

(e) 'assessment year' means the year for which tax is chargeable under section 3;

(f) 'assets' includes property of every description, movable or immovable, but does not include—

(i) agricultural land and growing crops, grass or standing trees on such land;

(ii) any building owned or occupied by a cultivator or receiver of rent or revenue out of agricultural land:

Provided that the building is on or in the immediate vicinity of the land and is a building which the cultivator or the receiver of rent or revenue by reason of his connection with the land requires as a dwelling-house or a store-house or an out-house;

(iii) live-stock, tools and implements needed for the raising of agricultural produce;

(iv) the right to any annuity or any interest in property where such annuity or interest is available to an assessee for a period not exceeding five years;

(g) 'Board' means the Central Board of Revenue constituted under the Central Board of Revenue Act, 1924 (4 of 1924);

(h) 'Commissioner' means a person empowered to exercise the functions of a Commissioner of Wealth-tax under section 10;

(i) 'company' means a company as defined in section 3 of the Companies Act, 1956 (1 of 1956), and includes a foreign company within the meaning of section 591 of that Act;

(j) 'executor' means an executor or administrator of the estate of a deceased person;

(k) 'Income-tax Act' means the Indian Income-tax Act, 1922 (11 of 1922);

(l) 'Income-tax Officer' means a person appointed to be an Income-tax Officer under the Income-tax Act;

(m) 'Inspecting Assistant Commissioner of Wealth-tax' means a person empowered to be an Inspecting Assistant Commissioner of Wealth-tax under section 11;

(n) 'net wealth' means the amount by which the aggregate value computed in accordance with the provisions of this Act of all the assets, wherever located, belonging to the assessee on the valuation date, including assets required to be included in his net wealth as on that date under this Act, is in excess of the aggregate value of all the debts owed by the assessee on the valuation date other than debts which under section 6 are not to be taken into account;

(o) 'prescribed' means prescribed by rules made under this Act;

(p) 'principal officer', used with reference to a company, means the secretary, manager, managing agent or managing director of the company, and includes any person connected with the management of the affairs of the company upon whom the Wealth-tax Officer has served a notice of his intention of treating him as the principal officer thereof;

(q) 'valuation date', in relation to any year for which an assessment is to be made under this Act, means the last day of the previous year as defined in clause (11) of section 2 of the Income-tax Act if an assessment were to be made under that Act for that year:

Provided that where in the case of an assessee there are different previous years under the Income-tax Act for different sources of income, the valuation date for the purposes of this Act shall be the last day of the previous year immediately preceding the year for which the assessment is to be made;

(r) 'valuer' means a valuer appointed under section 4 of the Estate Duty Act, 1953 (34 of 1953);

(s) 'Wealth-tax Officer' means the Income-tax Officer authorised to perform the functions of a Wealth-tax Officer under section 8.

CHAPTER II

CHARGE OF WEALTH-TAX AND ASSETS SUBJECT TO SUCH CHARGE

3. *Charge of Wealth-tax.*—Subject to the other provisions contained in this Act, there shall be charged for every financial year commencing on and from the first day of April, 1957, a tax (hereinafter referred to as wealth-tax) in respect of the net wealth on the corresponding valuation date of every individual, Hindu undivided family and company at the rate or rates specified in the Schedule.

4. *Net wealth to include certain assets.*—(1) In computing the net wealth of an individual, there shall be included,—

(a) the value of assets which on the valuation date are held—

(i) by his wife to whom such assets have been transferred by the individual, directly or indirectly, otherwise than for adequate consideration or in connection with an agreement to live separately, or

(ii) by a minor child not being a married daughter to whom such assets have been transferred by the individual otherwise than for adequate consideration, or

(iii) by a person or association of persons to whom such assets have been transferred by the individual otherwise than for adequate consideration for the benefit of the individual or his wife or minor child, or

(iv) by a person or association of persons to whom such assets have been transferred by the individual otherwise than under an irrevocable transfer;

(b) where the assessee is a partner in a firm or a member of an association of individuals, the value of his interest in the assets of the firm or association determined in the prescribed manner.

(2) Where the value of any assets is to be included in the net wealth of an assessee in accordance with clause (a) of sub-section (1), there shall be deducted from such value any debts owing on the valuation date by the transferee mentioned in that sub-section in so far as such debts are referable to the assets.

5. *Exemptions in respect of certain assets.*—Wealth-tax shall not be payable by an assessee in respect of—

(i) any property held by him under trust or other legal obligation for religious or charitable purposes within India;

(ii) the interest of the assessee in the coparcenary property of any Hindu undivided family of which he is a member;

(iii) any works of art, archæological, scientific or art collections, books, manuscripts or heirlooms belonging to the assessee and not intended for sale;

(iv) the right of the assessee to receive a pension or other life annuity in respect of past service under an employer;

(v) the rights under any patent or copyright belonging to the assessee:

Provided that they are not held by him as assets of a business, profession or vocation and no income or benefit accrues to him therefrom;

(vi) domestic animals and furniture, household utensils, wearing apparel, jewellery, provisions and other articles intended for the personal or household use of the assessee, subject to a maximum of twenty-five thousand rupees in value;

(vii) the right or interest of the assessee in any policy of insurance before the moneys covered by the policies actually become due and payable to the assessee;

(viii) the tools and instruments necessary to enable the assessee to carry on his profession or vocation, subject to a maximum of two thousand and five hundred rupees in value;

(ix) ten year treasury savings deposit certificates, fifteen year annuity certificates, deposits in post office savings banks, post office cash certificates and post office national savings certificates held by the assessee;

(x) any deposit made by the assessee with the Government or in any security of the Government or of a local authority not specified in clause (ix) which the Central Government may, by notification in the Official Gazette, exempt from wealth-tax:

Provided that the value of any deposit or security so exempted shall be included in computing the net wealth of an assessee;

(xi) the amount standing to the credit of an assessee, being a salaried employee, in any provident fund maintained by his employer to which the Provident Funds Act, 1925 (19 of 1925), applies or which is a recognised provident fund within the meaning of Chapter IXA of the Income-tax Act;

(xii) the property received by an assessee from Government in pursuance of any gallantry award instituted or approved by the Central Government.

6. *Exclusion of assets and debts outside India.*—In computing the net wealth of an individual who is not a citizen of India on the valuation date, or of a Hindu undivided family, or company not resident in India during the year ending on the valuation date, the value of the assets and debts located outside India shall not be taken into account.

Explanation I.—A Hindu undivided family shall be deemed to be resident in India during the year ending on the valuation date in all cases except where the control and management of its affairs during that year is situated wholly without India.

Explanation II.—A company shall be deemed to be resident in India during the year ending on the valuation date if during that year the control and management of its affairs is situated wholly in India.

7. *Value of assets, how to be determined.*—(1) The value of any asset, other than cash, for the purposes of this Act shall be estimated to be the price which in the opinion of the Wealth-tax Officer it would fetch if sold in the open market on the valuation date.

(2) Notwithstanding anything contained in sub-section (1),—

(a) where the assessee is carrying on a business for which accounts are maintained by him regularly, the Wealth-tax Officer may, instead of determining separately the value of each asset held by the assessee in such business determine the net value of the assets of the business as a whole having regard to the balance-sheet of such business as on the valuation date and making such adjustments therein as the circumstances of the case may require;

(b) where the assessee carrying on the business is a company not resident in India and a computation in accordance with clause (a) cannot be made by reason of the absence of any separate balance-sheet drawn up for the affairs of such business in India, the Wealth-tax Officer may take the net value of the assets of the business in India to be that proportion of the net value of the assets of the business as a whole wherever carried on determined as aforesaid as the income arising from

the business in India during the year ending with the valuation date bears to the aggregate income from the business wherever arising during that year.

CHAPTER III

WEALTH-TAX AUTHORITIES

8. *Wealth-tax Officers.*—Every Income-tax Officer having jurisdiction or exercising powers as such under the Income-tax Act in respect of any individual, Hindu undivided family or company shall perform the functions of a Wealth-tax Officer under this Act in respect of such individual, Hindu undivided family or company.

9. *Appellate Assistant Commissioners of Wealth-tax.*—The Board may empower as many persons as it thinks fit to exercise under this Act the functions of an Appellate Assistant Commissioner of Wealth-tax, and on being so empowered the Appellate Assistant Commissioners shall perform their functions in respect of such areas or such classes of persons as the Board may direct, and where such directions have assigned to two or more Appellate Assistant Commissioners the same area or the same classes of persons they shall perform their functions in accordance with such orders as the Board may make for the distribution and allocation of the work to be performed.

10. *Commissioners of Wealth-tax.*—The Board may empower as many persons as it thinks fit to exercise under this Act the functions of a Commissioner of Wealth-tax, and on being so empowered the Commissioners of Wealth-tax shall perform their functions in respect of such areas or such classes of persons as the Board may direct, and where such directions have assigned to two or more Commissioners the same area or the same classes of persons they shall have concurrent jurisdiction subject to such orders, if any, as the Board may make for the distribution and allocation of the work to be performed.

11. *Inspecting Assistant Commissioners of Wealth-tax.*—The Commissioner of Wealth-tax may empower as many persons as he thinks fit to exercise under this Act the functions of an Inspecting Assistant Commissioner of Wealth-tax, and on being so empowered the Inspecting Assistant Commissioners of Wealth-tax shall perform their functions in respect of such areas or such classes of persons as the Commissioner may direct, and where such directions have assigned to two or more Inspecting Assistant Commissioners the same area or the same classes of persons they shall perform their functions in accordance with such orders as the Commissioner may make for the distribution and allocation of the work to be performed.

12. *Wealth-tax Officers to be subordinate to the Commissioner of Wealth-tax and the Inspecting Assistant Commissioner of Wealth-tax.*—The Wealth-tax Officers shall be subordinate to the Commissioner of Wealth-tax and the Inspecting Assistant Commissioner of Wealth-tax within whose jurisdiction they perform their functions.

13. *Wealth-tax authorities to follow orders, etc., of the Board.*—All officers and other persons employed in the execution of this Act shall observe and follow the orders, instructions and directions of the Board:

Provided that no orders, instructions or directions shall be given by the Board so as to interfere with the discretion of the Appellate Assistant Commissioner of Wealth-tax in the exercise of his appellate functions.

CHAPTER IV

ASSESSMENT

14. *Return of wealth.*—(1) Every person whose net wealth on the valuation date was of such an amount as to render him liable to wealth-tax under this Act shall, before the thirtieth day of June of the corresponding assessment year, furnish to the Wealth-tax Officer a return in the prescribed form and verified in the prescribed manner setting forth his net wealth as on that valuation date:

Provided that for the assessment year commencing on the first day of April, 1957, the return may be made at any time before the thirty-first day of December, 1957.

(2) If the Wealth-tax Officer is satisfied that the net wealth of any person is of such an amount as to render him liable to wealth-tax under this Act, then notwithstanding anything contained in sub-section (1), he may serve a notice upon such person requiring him to furnish within such period, not being less than thirty days, as may be specified in the notice, a return in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be required in the notice, the net wealth of such person as on the valuation date mentioned in the notice.

(3) The Wealth-tax Officer may, if he is satisfied that it is necessary so to do, extend the date for the delivery of the return under this section.

15. *Return after due date and amendment of return.*—If any person has not furnished a return within the time allowed under section 14, or having furnished a return under that section discovers any omission or a wrong statement therein, he may furnish a return or a revised return, as the case may be, at any time before the assessment is made.

16. *Assessment.*—(1) If the Wealth-tax Officer is satisfied without requiring the presence of the assessee or production by him of any evidence that a return made under section 14 is complete, he shall assess the net wealth of the assessee and determine the amount payable by him as wealth-tax.

(2) If the Wealth-tax Officer is not so satisfied, he shall serve a notice on the assessee either to attend in person at his office on a date to be specified in the notice or to produce or cause to be produced on that date any evidence on which the assessee may rely in support of his return.

(3) The Wealth-tax Officer, after hearing such evidence as the person may produce and such other evidence as he may require on any specified points shall, by order in writing, assess the net wealth of the assessee and determine the amount payable by him as wealth-tax.

(4) For the purpose of making an assessment under this Act the Wealth-tax Officer may serve on any person, whether he has made a return or not, a notice requiring him to produce or cause to be produced on a date specified in the notice such accounts, records or other documents as the Wealth-tax Officer may require.

(5) If any person fails to make a return in response to any notice under sub-section (2) of section 14, or fails to comply with the terms of any notice issued under sub-section (2) or sub-section (4), the Wealth-

tax Officer shall make the assessment to the best of his judgment and determine the amount payable by the person as wealth-tax on the basis of such assessment—

17. *Wealth escaping assessment.*—If the Wealth-tax Officer—

(a) has reason to believe that by reason of the omission or failure on the part of the assessee to make a return of his net wealth under section 14 for any assessment year or to disclose fully and truly all material facts necessary for his assessment for that year, the net wealth chargeable to tax has escaped assessment for that year, whether by reason of under-assessment or assessment at too low a rate or otherwise; or

(b) has, in consequence of any information in his possession, reason to believe, notwithstanding that there has been no such omission or failure as is referred to in clause (a), that the net wealth chargeable to tax has escaped assessment for any year, whether by reason of under-assessment or assessment at too low a rate or otherwise;

he may, in cases falling under clause (a) at any time, and in cases falling under clause (b) at any time within six years of the end of that assessment year, serve on the assessee a notice containing all or any of the requirements which may be included in a notice under sub-section (2) of section 14, and may proceed to assess or re-assess such net wealth, and the provisions of this Act shall, so far as may be, apply as if the notice had issued under that sub-section.

18. *Penalty for concealment.*—(1) If the Wealth-tax Officer is satisfied that any person—

(a) has without reasonable cause failed to furnish the return of his net wealth which he is required to furnish under sub-section (1) or sub-section (2) of section 14 or section 17 or has without reasonable cause failed to furnish it within the time allowed and in the manner required; or

(b) has without reasonable cause failed to comply with a notice under sub-section (2) or sub-section (4) of section 16; or

(c) has concealed the particulars of his assets or deliberately furnished inaccurate particulars of his assets or debts:

he may, by order in writing, direct that such person shall pay by way of penalty—

(i) in the case referred to in clause (a), in addition to the amount of wealth-tax payable by him, a sum not exceeding one-and-a-half times the amount of such tax, and

(ii) in the case referred to in clause (b) or clause (c), in addition to the amount of wealth-tax payable by him, a sum not exceeding one-and-a-half times the amount of the tax, if any, which would have been avoided if the net wealth returned by such person had been accepted as correct.

(2) No order shall be made under sub-section (1) unless the person concerned has been given a reasonable opportunity of being heard.

(3) No prosecution for an offence under this Act shall be instituted in respect of the same facts in relation to which a penalty has been imposed under this section.

(4) The Wealth-tax Officer shall not impose any penalty under this section without the previous approval of the Inspecting Assistant Commissioner of Wealth-tax.

CHAPTER V

LIAIBLITY TO ASSESSMENT IN SPECIAL CASES

19. *Tax of deceased person payable by legal representative.*—(1) Where a person dies, his executor, administrator or other legal representative shall be liable to pay out of the estate of the deceased person, to the extent to which the estate is capable of meeting the charge, the wealth-tax assessed as payable by such person, or any tax which would have been payable by him under this Act if he had not died.

(2) Where a person dies without having furnished a return under the provisions of section 14 or after having furnished a return which the Wealth-tax Officer has reason to believe to be incorrect or incomplete, the Wealth-tax Officer may make an assessment of the net wealth of such person and determine the wealth-tax payable by the person on the basis of such assessment, and for this purpose may, by the issue of the appropriate notice which would have had to be served upon the deceased person if he had survived, require from the executor, administrator or other legal representative of the deceased person any accounts, documents or other evidence which might under the provisions of section 16 have been required from the deceased person.

(3) The provisions of section 15 shall apply to an executor, administrator or other legal representative as they apply to any person referred to in that section.

20. *Assessment after partition of a Hindu undivided family.*—(1) Where, at the time of making an assessment, it is brought to the notice of the Wealth-tax Officer that a partition has taken place among the members of a Hindu undivided family, and the Wealth-tax Officer, after inquiry, is satisfied that such partition has taken place, he shall make assessments on the net wealth of the undivided family as such for the assessment year or years including the year relevant to the previous year if the partition has taken place on the last day of the previous year, and each member or group of members shall be liable jointly and severally for the tax assessed on the net wealth of the joint family as such.

(2) Where the Wealth-tax Officer is not so satisfied, he may, by order, declare that such family shall be deemed for the purposes of this Act to continue to be a Hindu undivided family liable to be assessed as such.

21. *Assessment when assets are held by courts of wards, administrators general, etc.*—(1) In the case of assets chargeable to tax under this Act which are held by a court of wards or an administrator-general or an official trustee or any receiver or manager or any other person, by whatever name called, appointed under any order of a court to manage property on behalf of another, or any trustee appointed under a trust declared by a duly executed instrument in writing, whether testamentary or otherwise (including a trustee under a valid deed of wakf), the wealth-tax shall be levied upon and recoverable from the court of wards, administrator-general, official trustee, receiver, manager or trustee, as the case may be, in the like manner and to the same extent as it would be leviable upon and recoverable from the person on whose behalf the assets are held, and the provisions of this Act shall apply accordingly.

(2) Nothing contained in sub-section (1) shall prevent either the direct assessment of the person on whose behalf the assets above referred to are held, or the recovery from such person of the tax payable in respect of such assets.

(3) Where the guardian or trustee of any person being a minor, lunatic or idiot (all of which persons are hereinafter in this sub-section included in the term 'beneficiary') holds any assets on behalf of such beneficiary, the tax under this Act shall be levied upon and recoverable from such guardian or trustee, as the case may be, in the like manner and to the same extent as it would be leviable upon and recoverable from any such beneficiary if of full age or sound mind and in direct ownership of such assets.

(4) Notwithstanding anything contained in this section, where the shares of the persons on whose behalf any such assets are held are indeterminate or unknown, the wealth-tax may be levied upon and recovered from the court of wards, administrator-general, official trustee, receiver, manager or other person aforesaid as if the persons on whose behalf the assets are held were an individual for the purposes of this Act.

22. *Assessment of persons not resident in India.*—(1) Where the person liable to tax under this Act is not resident in India, the tax may be levied upon and recovered from his agent, and the agent shall be deemed to be, for all the purposes of this Act, the assessee in respect of such tax.

(2) Any person employed by or on behalf of a person referred to in sub-section (1) or through whom such person is in the receipt of any income, profits or gains, or who is in possession or has custody of any asset of such person and upon whom the Wealth-tax Officer has caused a notice to be served of his intention of treating him as the agent of such person shall, for the purposes of sub-section (1), be deemed to be the agent of such person:

Provided that no person shall be deemed to be the agent of another under this section unless he has had an opporunity of being heard by the Wealth-tax Officer as to his being treated as such.

CHAPTER VI

APPEALS, REVISIONS AND REFERENCES

23. *Appeal to the Appellate Assistant Commissioner from orders of Wealth-tax Officers.*—(1) Any person,—

(a) objecting to the amount of his net wealth determined under this Act; or

(b) objecting to the amount of wealth-tax determined as payable by him under this Act; or

(c) denying his liability to be assessed under this Act; or

(d) objecting to any penalty imposed by the Wealth-tax Officer under section 18; or

(e) objecting to any order of the Wealth-tax Officer under sub-section (2) of section 20;

may appeal to the Appellate Assistant Commissioner against the assessment or order, as the case may be, in the prescribed form and verified in the prescribed manner.

(2) An appeal shall be presented within thirty days of the receipt of the notice of demand relating to the assessment or penalty objected to, or the date on which any order objected to, is communicated to him,

but the Appellate Assistant Commissioner may admit an appeal after the expiration of the period aforesaid if he is satisfied that the appellant had sufficient cause for not presenting the appeal within that period.

(3) The Appellate Assistant Commissioner shall fix a day and place for the hearing of the appeal and may from time to time adjourn the hearing.

(4) The Appellate Assistant Commissioner may, before disposing of any appeal, make such further inquiry as he thinks fit or cause further inquiry to be made by the Wealth-tax Officer.

(5) Any order passed by the Appellate Assistant Commissioner on appeal may include an order enhancing the assessment or penalty:

Provided that no order enhancing the assessment or penalty shall be made unless the person affected thereby has been given a reasonable opportunity of showing cause against such enhancement.

(6) A copy of every order passed by the Appellate Assistant Commissioner under this section shall be forwarded to the appellant and the Commissioner.

24. *Appeal to the Appellate Tribunal from orders of the Appellate Assistant Commissioners.*—(1) Any assessee objecting to an order passed by an Appellate Assistant Commissioner under section 23 may appeal to the Appellate Tribunal within sixty days of the date on which he is served with notice of such order.

(2) The Commissioner may, if he is not satisfied as to the correctness of any order passed by an Appellate Assistant Commissioner under section 23, direct the Wealth-tax Officer to appeal to the Appellate Tribunal against such order, and such appeal may be made at any time before the expiry of sixty days of the date on which the order is communicated to the Commissioner.

(3) An appeal to the Appellate Tribunal shall be in the prescribed form and shall be verified in the prescribed manner and shall, except in the case of an appeal referred to in sub-section (2), be accompanied by a fee of one hundred rupees.

(4) The Appellate Tribunal may, after giving both parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit, and any such orders may include an order enhancing the assessment or penalty:

Provided that no order enhancing an assessment or penalty shall be made unless the person affected thereby has been given a reasonable opportunity of showing cause against such enhancement.

(5) Where the appellant objects to the valuation of any immovable property, the Appellate Tribunal may, and if the appellant so requires shall, refer the question of disputed value to the arbitration of a committee consisting of a valuer and an adviser appointed by the Board in this behalf, and the Tribunal shall, so far as that question is concerned, pass its orders under sub-section (4) conformably to the decision of the Committee:

Provided that if there is a difference of opinion between the two members of the committee of arbitration, the matter shall be referred by the Tribunal to another valuer appointed by the Board and the decision of that valuer on the question of valuation shall be final.

(6) The costs of any arbitration proceeding under sub-section (5) shall be borne by the Central Government or the assessee, as the case may be, at whose instance the question was referred to the Committee:

Provided that where the assessee has been wholly or partially successful in any reference made at his instance, the extent to which the costs should be borne by the assessee shall be at the discretion of the Appellate Tribunal.

(7) A copy of every order passed by the Appellate Tribunal under this section shall be forwarded to the assessee and the Commissioner.

(8) Save as provided in section 27, any order passed by the Appellate Tribunal on appeal shall be final.

(9) The provisions of sub-sections (5), (7) and (8) of section 5A of the Income-tax Act shall apply to the Appellate Tribunal in the discharge of its functions under this Act as they apply to it in the discharge of its functions under the Income-tax Act.

(10) For the purposes of this section the Central Government shall draw up for every such area as may be prescribed a list of persons familiar with property values in that area, and any of these persons may be appointed to exercise the functions of an adviser under this section in relation to the area for which he is appointed.

25. *Power of Commissioner to revise orders of Wealth-tax Officers in the interests of revenue.*—(1) The Commissioner may call for and examine the record of any proceeding under this Act and, if he considers that any order passed therein by a Wealth-tax Officer is erroneous in so far as it is prejudicial to the interests of revenue, he may, after giving the assessee an opportunity of being heard and after making or causing to be made such inquiry as he deems necessary, pass such orders thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment or cancelling it and directing a fresh assessment.

(2) No order shall be made under sub-section (1) after the expiry of two years from the date of the order sought to be revised.

(3) If in the course of any proceedings under this section a question arises as to the valuation of any immovable property, the Commissioner may, and if the assessee so requires shall, before passing any order under this section, refer the question of such valuation to the arbitration of a Committee consisting of a valuer and an adviser appointed by the Board in this behalf and the Commissioner shall, so far as that question is concerned, pass his order under this section conformably to the decision of the Committee.

(4) The provisions of sub-sections (5), (6) and (8) of section 24 shall apply in relation to any such reference as they apply in relation to any reference made by the Appellate Tribunal under that section.

26. *Appeal to the Appellate Tribunal from orders of enhancement by Commissioners.*—(1) Any assessee objecting to an order of enhancement made by the Commissioner under section 25 may appeal to the Appellate Tribunal within sixty days of the date on which the order is communicated to him.

(2) An appeal to the Appellate Tribunal under sub-section (1) shall be in the prescribed form and shall be verified in the prescribed manner and shall be accompanied by a fee of rupees one hundred.

(3) The Tribunal may, after giving the appellant an opporunity of being heard, pass such order thereon as it thinks fit, and shall communicate any such order to the assessee and to the Commissioner.

27. *Reference to High Court.*—(1) Within ninety days of the date upon which he is served with an order under section 24 or section 26, the assessee may present an application in the prescribed form accompanied by a fee of one hundred rupees to the Appellate Tribunal requiring the Appellate Tribunal to refer to the High Court any question of law arising out of such order, and the Appellate Tribunal shall, if in its opinion a question of law arises out of such order, state the case for the opinion of the High Court.

(2) An application under sub-section (1) may be admitted after the expiry of the period of ninety days aforesaid if the Tribunal is satisfied that there was sufficient cause for not presenting it within the said period.

(3) If, on an application made under sub-section (1), the Appellate Tribunal,—

(a) refuses to state a case on the ground that no question of law arises; or

(b) rejects it on the ground that it is time barred;

the applicant may, within three months from the date on which he is served with a notice of refusal or rejection, as the case may be, apply to the High Court, and the High Court may, if it is not satisfied with the correctness of the decision of the Appellate Tribunal, require the Appellate Tribunal to state the case to the High Court, and on receipt of such requisition the Appellate Tribunal shall state the case:

Provided that, if in any case where the Appellate Tribunal has been required by an applicant to state a case the Appellate Tribunal refuses to do so on the ground that no question of law arises, the applicant may, within thirty days from the date on which he receives notice of refusal to state the case, withdraw his application, and if he does so, the fee paid by him under sub-section (1) shall be refunded to him.

(4) The statement to the High Court shall set forth the facts, the determination of the Appellate Tribunal and the question of law which arises out of the case.

(5) If the High Court is not satisfied that the case as stated is sufficient to enable it to determine the question of law raised thereby, it may require the Appellate Tribunal to make such modifications therein as it may direct.

(6) The High Court, upon hearing any such case, shall decide the question of law raised therein, and in doing so, may, if it thinks fit, alter the form of the question of law and shall deliver judgment thereon containing the ground on which such decision is founded and shall send a copy of the judgment under the seal of the Court and the signature of the Registrar to the Appellate Tribunal and the Appellate Tribunal shall pass such orders as are necessary to dispose of the case conformably to such judgment.

(7) The costs of any reference to the High Court shall be in the discretion of the Court.

(8) Section 5 of the Indian Limitation Act, 1908 (9 of 1908), shall apply to an application to the High Court under this section.

28. *Hearing by High Court.*—When a case has been stated to the High Court under section 27, it shall be heard by a Bench of not less than two Judges of the High Court and shall be decided in accordance with the opinion of such Judges or of the majority of such Judges, if any:

Provided that where there is no such majority, the Judges shall state the point of law upon which they differ and the case shall then be heard upon that point only by one or more of the Judges of the High Court, and such point shall be decided according to the opinion of the majority of the Judges who have heard the case, including those who first heard it.

29. *Appeal to Supreme Court.*—(1) An appeal shall lie to the Supreme Court from any judgment of the High Court delivered on a case stated under section 27 in any case which the High Court certifies as a fit case for appeal to the Supreme Court.

(2) Where the judgment of the High Court is varied or reversed on appeal under this section, effect shall be given to the order of the Supreme Court in the manner provided in sub-section (6) of section 27.

(3) The High Court may, on application made to it for the execution of any order of the Supreme Court in respect of any costs awarded by it, transmit the order for execution to any court subordinate to the High Court.

CHAPTER VII

PAYMENT AND RECOVERY OF WEALTH-TAX

30. *Notice of demand.*—When any tax or penalty is due in consequence of any order passed under this Act, the Wealth-tax Officer shall serve upon the assessee or other person liable to pay such tax or penalty a notice of demand in the prescribed form specifying the sum so payable and the time within which it shall be payable.

31. *Recovery of tax and penalties.*—(1) Any amount specified as payable in a notice of demand issued under section 30 shall be paid within the time, at the place, and to the person mentioned in the notice, or if no time is so mentioned, then on or before the first day of the second month following the date of service of the notice, and any assessee failing so to pay shall be deemed to be in default.

(2) Where an assessee has been assessed in respect of assets located in a country outside India, the laws of which prohibit or restrict the remittance of money to India, the Wealth-tax Officer shall not treat the assessee as in default in respect of that part of the tax which is attributable to the assets in that country, and shall continue to treat the assessee as not in default in respect of that part of the tax until the prohibition or restriction of remittance is removed.

(3) Notwithstanding anything contained in this section, where an assessee has presented an appeal under section 23, the Wealth-tax Officer may in his discretion treat the assessee as not being in default as long as such appeal is undisposed of.

32. *Mode of recovery.*—The provisions of sub-sections (1), (1A), (2), (3), (4), (5), (5A), (6) and (7) of section 46 of the Income-tax Act shall apply as if the said provisions were provisions of this Act and referred to wealth-tax instead of to income-tax, and to Wealth-tax Officer and Commissioner of Wealth-tax instead of to Income-tax Officer and Commissioner of Income-tax.

33. *Liability of transferees of properties from assessees in certain cases.*—(1) Where by reason of the provisions contained in section 4, the value of any assets transferred to any of the persons mentioned in that section have to be included in the net wealth of an individual, the person in whose name such assets stand shall, notwithstanding anything contained in any law to the contrary, be liable, on the service of a notice of demand by the Wealth-tax Officer in this behalf, to pay that portion of the tax assessed on the assessee as is attributable to the value of the asset standing in his name as aforesaid:

Provided that where any such asset is held jointly by more than one person, they shall be jointly and severally liable to pay the tax as is attributable to the value of the asset so jointly held.

(2) Where any such person as is referred to in sub-section (1) defaults in making payment of any tax demanded from him, he shall be deemed to be an assessee in default in respect of such sum, and all the provisions of this Act relating to recovery shall apply accordingly.

34. *Restrictions on registration of transfers of immovable property in certain cases.*—Where any document required to be registered under the provisions of clause (a), clause (b), clause (c) or clause (e) of sub-section (1) of section 17 of the Indian Registration Act, 1908 (16 of 1908), purports to transfer, assign, limit or extinguish the right, title or interest of any person to or in any property other than agricultural land valued at more than one lakh of rupees, no registering officer appointed under that Act shall register any such document, unless the Wealth-tax Officer certifies that—

(a) such person has either paid or made satisfactory provision for the payment of all existing or anticipated liabilities under this Act, or

(b) the registration of the document will not prejudicially affect the recovery of any existing or anticipated liability under this Act.

CHAPTER VIII

MISCELLANEOUS

35. *Rectification of mistakes.*—At any time within four years from the date of any order passed by him, or it, the Commissioner, the Wealth-tax Officer, the Appellate Assistant Commissioner and the Appellate Tribunal may, on his, or its, own motion rectify any mistake apparent from the record and shall, within a like period, rectify any such mistake which has been brought to the notice of the Commissioner, the Wealth-tax Officer, the Appellate Assistant Commissioner or the Appellate Tribunal, as the case may be, by an assessee:

Provided that no such rectification shall be made which has the effect of enhancing the assessment unless the assessee has been given a reasonable opportunity of being heard in the matter.

36. *Prosecutions.*—(1) If a person fails without reasonable cause,—

(a) to furnish in due time any return mentioned in section 14;

(b) to produce, or cause to be produced, on or before the date mentioned in any notice under sub-section (2) or sub-section (4) of section 16 such accounts, records and documents as are referred to in the notice;

he shall, on conviction before a magistrate be punishable with fine which may extend to ten rupees for every day during which the default continues.

(2) If a person makes a statement in a verification mentioned in section 14 or section 17 or section 20 or section 24 which is false, and which he either knows or believes to be false, or does not believe to be true, he shall be punishable with simple imprisonment which may extend to one year, or with fine which may extend to one thousand rupees, or with both.

(3) A person shall not be proceeded against for an offence under this section except at the instance of the Commissioner.

(4) The Commissioner may either before or after the institution of proceedings compound any such offence.

Explanation.—For the purposes of this section, 'magistrate' means a presidency magistrate, a magistrate of the first class or a magistrate of the second class specially empowered by the Central Government to try offences under this Act.

37. *Power to take evidence on oath, etc.*—The Commissioner, the Wealth-tax Officer, the Appellate Assistant Commissioner and the Appellate Tribunal shall, for the purposes of this Act, have the same powers as are vested in a court under the Code of Civil Procedure, 1908 (5 of 1908), when trying a suit in respect of the following matters, namely:—

(a) enforcing the attendance of any person and examining him on oath;

(b) requiring the discovery and production of documents;

(c) receiving evidence on affidavit;

(d) issuing commissions for the examination of witnesses;

and any proceeding before the Commissioner, the Wealth-tax Officer, the Appellate Assistant Commissioner or the Appellate Tribunal shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 of the Indian Penal Code (45 of 1860).

38. *Information, returns and statements.*—Where for the purposes of determining the wealth-tax payable by any person, it appears necessary for the Wealth-tax Officer to obtain any statement or information from any individual, company, firm, Hindu undivided family or other person, the Wealth-tax Officer may serve a notice requiring such individual, company, firm, Hindu undivided family or other person, on or before a date to be therein specified, to furnish such statement or information on the points specified in the notice, and the individual or the principal officer concerned or the manager of the Hindu undivided family, as the case may be, shall, notwithstanding anything in any law to the contrary, be bound to furnish such statement or information to the Wealth-tax Officer.

39. *Effect of transfer of authorities on pending proceedings.*—Whenever in respect of any proceeding under this Act any wealth-tax authority ceases to exercise jurisdiction and is succeeded by another who has and exercises such jurisdiction, the authority so succeeding may continue the proceeding from the stage at which the proceeding was left by his predecessor.

40. *Computation of periods of limitation.*—In computing the period of limitation prescribed for an appeal under this Act or for an application under section 27, the day on which the order complained of was made and the time requisite for obtaining a copy of such order shall be excluded.

41. *Service of notice.*—(1) A notice or a requisition under this Act may be served on the person therein named either by post or as if it were a summons issued by a court under the Code of Civil Procedure, 1908 (5 of 1908).

(2) Any such notice or requisition may, in the case of a firm or a Hindu undivided family, be addressed to any member of the firm or to the manager or any adult male member of the family, and in the case of any other association of persons be addressed to the principal officer thereof.

42. *Prohibition of disclosure of information.*—(1) Subject to the provisions contained in sub-section (2), the provisions of section 54 of the Income-tax Act shall apply to all accounts or in relation to statements, documents, evidence or affidavits given, produced or obtained in connection with or in the course of any proceeding under this Act as they apply to or in relation to similar particulars under that Act subject to the modification that the reference to 'any Income-tax authority' in clause (d) of sub-section (2) and to the 'Commissioner' in sub-section (5) of that Act shall be construed as a reference to 'any wealth-tax authority' and to the 'Commissioner of Wealth-tax' respectively.

(2) Nothing contained in section 54 of the Income-tax Act shall apply to the disclosure of any such particulars as are referred to in sub-section (1) to any person acting in the execution of this Act or the Income-tax Act or the Estate Duty Act, 1953 (34 of 1953), where it is necessary or desirable to disclose the same to him for the purpose of this Act or any of the other Acts aforesaid.

43. *Bar of jurisdiction.*—Save as otherwise provided in this Act, no suit shall lie in any civil court to set aside or modify any assessment made under this Act, and no prosecution, suit or other legal proceeding shall lie against any officer of the Government for anything in good faith done or intended to be done under this Act.

44. *Appearance before wealth-tax authorities by authorised representatives.*—Any assessee who is entitled to or required to attend before any wealth-tax authority or the Appellate Tribunal in connection with any proceeding or inquiry under this Act, except where he is required under this Act to attend in person, may attend by a person authorised by him in writing in this behalf, being a relative of, or a person regularly employed by, the assessee or a legal practitioner or a chartered accountant.

Explanation.—For the purposes of this section,—

(a) the expression, "a person regularly employed by the assessee" includes any officer of a Scheduled Bank with which the assessee maintains a current account or has other regular dealings;

(b) "Chartered Accountant" means a Chartered Accountant as defined in the Chartered Accountants Act, 1949 (38 of 1949).

45. *Act not to apply in certain cases.*—The provisions of this Act shall not apply to—

(a) a banking company as defined in section 5 of the Banking Companies Act, 1949 (10 of 1949);

(b) an insurer within the meaning of the Insurance Act, 1938 (4 of 1938);

(c) any company formed and registered under the Companies Act, 1956 (1 of 1956), established with the object of financing, whether by way of making loans or advances to, or subscribing to the capital of, private industrial enterprises in India, in any case where the Central Government has made or agreed to make to the company a special advance for the purpose or has guaranteed or agreed to guarantee the payment of moneys borrowed by the company from any institution outside India.

46. *Power to make rules.*—(1) The Board may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, rules made under this section may provide for—

(a) the manner in which the market value of any asset may be determined in cases where it is not easily ascertainable;

(b) the form in which returns under this Act shall be made, and the manner in which they shall be verified;

(c) the form in which appeals and applications under this Act may be made, and the manner in which they shall be verified;

(d) the form of any notice of demand under this Act;

(e) the areas for which lists of valuers may be drawn up;

(f) any other matter which has to be or may be prescribed for the purposes of this Act.

(3) The power to make rules conferred by this section shall on the first occasion of the exercise thereof include the power to give retrospective effect to the rules or any of them from a date not earlier than the date of commencement of this Act.

(4) All rules made under this Act shall be laid before each House of Parliament as soon as may be after they are made and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following.

THE SCHEDULE

(*See* section 3)

Rates of Wealth-tax

PART I

(a) In the case of every individual:—

		Rate of tax
(i) on the first rupees two lakhs of net wealth	..	Nil.
(ii) on the next rupees ten lakhs of net wealth	..	½%
(iii) on the next rupees ten lakhs of net wealth	..	1%
(iv) on the balance of net wealth	..	1½%

(b) In the case of every Hindu undivided family:—

(i) on the first rupees three lakhs of net wealth	..	Nil.
(ii) on the next rupees ten lakhs of net wealth	..	½%
(iii) on the next rupees ten lakhs of net wealth	..	1%
(iv) on the balance of net wealth	..	1½%

PART II

In the case of every company:—

(i) on the first rupees five lakhs of net wealth	..	Nil.
(ii) on the balance of net wealth	..	½%

Rule 1.—Where the net wealth of an assessee includes the value of any asset on which wealth-tax is not payable, the amount of tax payable by the assessee shall be an amount bearing to the total amount of wealth-tax which would have been payable on the net wealth had no property been exempt the same proportion as the unexempted portion of net wealth bears to the net wealth.

Rule 2.—Where the net wealth of an assessee not being a company, in respect of any assessment year includes the value of any shares in a private company as defined in section 3 of the Companies Act, 1956 (1 of 1956), the wealth-tax payable by the assessee on his net wealth for that assessment year, computed in accordance with the rates specified above, shall be reduced by the amount, if any, by which the sum of the following, namely:—

(a) that portion of the wealth-tax payable by the assessee computed as aforesaid as bears to the whole amount of the tax, the same proportion as the value of the shares aforesaid included in his net wealth bears to his net wealth,

(b) that portion of the wealth-tax, if any, paid by the company in respect of the same assessment year, as bears to the whole amount of the said tax, the same proportion as the paid-up value of the shares included in the assessment of the assessee aforesaid bears to the aggregate paid-up value of the share capital of the company as on the relevant valuation date,

exceeds the amount calculated at the rate of 1:5 per cent. on the value of the shares included in his net wealth.

STATEMENT OF OBJECTS AND REASONS

The object of this Bill is to impose an annual tax on the net wealth of individuals, Hindu undivided families and companies. The proposed tax is an important constituent of an integrated tax structure which Government have been aiming at for some time. With Income-tax, Estate Duty and a tax on Capital gains already in existence and with the addition of the Wealth-tax and a tax on large personal expenditures (separately being proposed) the direct taxes will form a composite system made up of complementary elements. Apart from the fact that a composite tax system of this type helps to satisfy the criterion of the ability to pay, it is consistent with the avowed goal of the attainment of a socialistic pattern of society.

T. T. KRISHNAMACHARI.

NEW DELHI;
The 15th May, 1957.

FINANCIAL MEMORANDUM

This Bill proposes a levy of tax with effect from 1st April, 1957 on the net wealth of individuals, Hindu undivided families and companies. This is a new tax but the procedure for assessment and collection of this new tax is very much allied to that of taxes on income. It is, therefore, proposed that for the time being wealth-tax be administered by the Income-tax Department and that no separate administrative machinery should be set up. The existing pressure of work on the Income-tax Department is, however, already quite heavy. This pressure is likely to increase further on account of the proposed lowering of the minimum taxable limits. It will, therefore, be necessary to expand adequately the staff at various levels of the departmental cadres.

The increase of personnel, along with incidental expenses of administration, including payment of remuneration to valuers of immovable properties is estimated to cost Rs. 40 lakhs ultimately. Actual recruitment of staff will, however, be made as and when it is found really necessary.

Capital expenditure will be in respect of construction of office and residential accommodation. Such expenditure when incurred will form part of the requirements of the Income-tax staff.

I. VOLUME OF WORK

			Rs.
Number of "Persons" who will be liable to tax:—			
(a) *Individuals*			
(other than purely salary earners, having income of more than Rs. 20,000 each—who are expected to have net wealth exceeding Rs. 2 lakhs) ..			26,000
(b) *Hindu undivided families*			
(having income of more than Rs. 25,000 each—which are expected to have net wealth exceeding Rs. 3 lakhs) ..			4,000
(c) *Companies*			
(with net worth exceeding Rs. 5 lakhs).			
Total number of companies as per registers (1956) ..		31,049	
(i) Companies with paid-up capital of above Rs. 5 lakhs (3 076 in 1953) ..		4,000	
(ii) Companies with paid-up capital of Rs. 3·5 to 5 lakhs, which are likely to have adequate reserves to make them liable to wealth-tax ..		3,000	
		7,000	
Less Insurance and banking companies included above ..	347		
Defunct companies ..	700	1,000	(say) 6,000
		Total number of persons	36,000

II. REQUIREMENT OF PERSONNEL AND FINANCE

A. *Officers*

	No.		Cost Rs.
1. No. of Commissioners of Income-tax ..	3	3×2000×12	72,000
2. No. of Inspecting Assistant Commissioners and Appellate Assistant Commissioners (8+12) ..	20	20×1200×12	2,88,000
3. No. of Income-tax Officers taking the average disposal per Income-tax Officer per annum @ 300	120	120×500×12	7,20,000
B. *Staff*			
4. No. of Inspectors ..	60	60×250×12	1,80,000
5. No. of Supervisors ..	23	23×350×12	96,600
6. No. of Head Clerks ..	63	63×250×12	1,89,000
7. No. of U.D.Cs. ..	301	301×150×12	5,41,800
8. No. of L.D.Cs. ..	160	160×120×12	2,30,400
9. No. of Stenographers ..	23	23×150×12	41,400
10. No. of Stenotypists ..	131	131×140×12	2,20,080
		Rs.	25,79,280
	say ..	Rs.	26 lakhs

C. *Incidental expenditure*

Incidental expenses including Class IV staff contingencies and payment of remuneration to valuers estimated at .. Rs. 14 lakhs

TOTAL .. Rs. 40 lakhs

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 46 of the Bill authorises the Central Board of Revenue to make rules with respect to matters like the manner in which market values of assets may be determined in cases where they are not easily determinable, the form in which returns may be made under the Act, the form in which appeals should be filed or notices of demand issued. The rule making power is thus of a normal character.

LOK SABHA

A

BILL

to provide for the levy of wealth-tax.

The President has, in pursuance of clauses (1) and (3) of article 117 of the Constitution of India, recommended to Lok Sabha, the introduction and consideration of the Bill.

M. N. KAUL,
Secretary.

(*Shri T. T. Krishnamachari,*
(*Minister of Finance.*)

THE RAILWAY PASSENGER FARES BILL, 1957

(AS INTRODUCED IN LOK SABHA)

A

BILL

to provide for the levy of a tax on railway fares.

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows:—

1. *Short title.*—This Act may be called the Railway Passenger Fares Act, 1957.

2. *Definitions.*—In this Act, unless the context otherwise requires,—

(a) 'fare' means the total amount of all charges of whatever nature payable by a passenger or group of passengers, and includes—

(i) haulage charges for supply of carriages of particular types;
(ii) empty haulage charges on tourist cars and saloons;
(iii) charges for pilot engines; and
(iv) charges for dining cars attached to special trains;

but does not include—

(i) the tax payable under this Act;
(ii) terminal taxes, pilgrim taxes and tolls on bridges;
(iii) reservation charges; and
(iv) hire, detention and stabling charges in respect of passenger traffic booked in reserved carriages and special trains;

(b) 'passenger' means any person travelling on a railway in any description or class of train or carriage on payment of his fare, whether at full rates or at concessional rates;

(c) 'railway' and 'railway administration' have the meanings respectively assigned to them in the Indian Railways Act, 1890 (9 of 1890).

3. *Levy of tax on passenger fares.*—(1) Subject to the provisions of this Act, there shall be levied and collected on fares paid by passengers carried by any railway in India, whether by itself or in conjunction with any other mode of transport or in conjunction with railways in any adjacent country, a tax at the rate specified in that behalf in the Schedule.

(2) The tax levied under sub section (1) shall be collected by the railway administration as an addition to the fares, and the railway administration shall have all the powers and remedies for the recovery thereof as though the same were a rate or fare which the railway administration is empowered to levy under the Indian Railways Act, 1890 (9 of 1890).

4. *Rules for computing tax on passenger fares.*—In computing the tax payable under this Act, the following rules shall apply, namely:—

Rule 1.—The tax leviable shall, wherever necessary, be rounded off to the nearest *naya paisa*. fractions of half-a-*naya paisa*

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and over being counted as one, and less than half being disregarded.

Rule 2.—In the case of return tickets, the rate of tax shall be based on the distance for a single journey.

Rule 3.—In the case of tickets issued from or to out-agencies or city booking offices, the tax shall be leviable only in respect of the fare attributable to the actual journey by railway.

Rule 4.—The amount of the tax for any distance shall, wherever necessary, be so adjusted that the aggregate amount of the fare and tax for such distance is not less than the aggregate amount of the fare and tax for any lesser distance in any case.

5. *Power to exempt.*—The Central Government may, by notification in the Official Gazette and for reasons to be specified therein, exempt, either in whole or in part and either absolutely or subject to such conditions as it may specify, any passengers or class of passengers from the tax leviable under this Act.

6. *Power to make rules.*—(1) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, rules so made may,—

(a) regulate the collection by or on behalf of the railway administration of the tax levied under this Act, and provide for the authority to which, and the time and manner in which, the tax shall be paid;

(b) prescribe the form of the returns to be submitted by any authority collecting the tax and the particulars to be contained therein and the manner in which it is to be verified.

(3) In making any rules under this section, the Central Government may direct that a breach thereof shall be punishable with fine which may extend to one thousand rupees for each such breach.

THE SCHEDULE

(*See* section 3)

1	2
Description of traffic	*Rate of tax*
1. Passengers travelling by railway for distances up to 30 miles (inclusive)	5% of fare.
2. Passengers travelling by railway for distances from 31 miles to 500 miles (inclusive).	15% of fare.
3. Passengers travelling by railway for distances over 500 miles	10% of fare.
4. Passengers travelling on mileage coupons	12½% of the cost of the coupons.
5. Passengers travelling on season tickets.	*Nil.*

STATEMENT OF OBJECTS AND REASONS

The object of this Bill is to impose a tax on fares payable by passengers travelling by railway. Under article 269(1) of the Constitution, the proceeds of the tax less the portion attributable to Union territories shall be assigned to the States concerned. The principles of such distribution will have to be formulated by Parliament by law.

T. T. KRISHNAMACHARI.

NEW DELHI;
The 15*th May*, 1957.

MEMORANDUM REGARDING DELEGATED LEGISLATION

In the case of railways administered by companies, it is necessary to regulate the collection of taxes under this law by means of rules made by the Central Government. The tax may also have to be collected by other authorities on behalf of the Railways. Clause 6, therefore, authorises the Central Government to make rules providing for the regulation of the collection of taxes, the authority to which the taxes so collected may be paid, the form in which returns should be made and the like.

The rule-making power is of a normal character.

LOK SABHA

A

BILL

to provide for the levy of a tax on railway fares.

The President has, in pursuance of clause (1) of article 117 and clause (1) of article 274 of the Constitution of India, recommended to Lok Sabha, the introduction of the Bill.

M. N. KAUL,
Secretary.

(*Shri T. T. Krishnamachari,*
Minister of Finance.)

THE EXPENDITURE-TAX BILL, 1957

ARRANGEMENT OF CLAUSES

CLAUSES

CHAPTER I

PRELIMINARY

CHAPTER II

CHARGE OF EXPENDITURE-TAX AND EXPENDITURE SUBJECT TO SUCH CHARGE

CHAPTER III

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PAYMENT AND RECOVERY OF EXPENDITURE-TAX

CHAPTER VIII

MISCELLANEOUS

THE EXPENDITURE-TAX BILL, 1957

A

BILL

to provide for the levy of a tax on expenditure.

Be it enacted by Parliament in the Eighth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. *Short title, extent and commencement.*—(1) This Act may be called the Expenditure-tax Act, 1957.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall come into force on the 1st day of April, 1958.

2. *Definitions.*—In this Act, unless the context otherwise requires.—

(a) "Appellate Assistant Commissioner" means a person empowered to exercise the functions of an Appellate Assistant Commissioner of Expenditure-tax under section 8;

(b) "Appellate Tribunal" means the Appellate Tribunal appointed under section 5A of the Income-tax Act;

(c) "assessee" means an individual or a Hindu undivided family by whom expenditure-tax or any other sum of money is payable under this Act, and includes every individual or Hindu undivided family against whom any proceeding under this Act has been taken for the assessment of his expenditure;

(d) "assessment year" means the year for which tax is chargeable under section 3;

(e) "Board" means the Central Board of Revenue constituted under the Central Board of Revenue Act, 1924 (4 of 1924);

(f) "Commissioner" means a person empowered to exercise the functions of a Commissioner of Expenditure-tax under section 9;

(g) "dependant" means—

(i) where the assessee is an individual, a son or daughter wholly or mainly dependant on the assessee for support and maintenance;

(ii) where the assessee is a Hindu undivided family—

(a) every coparcener other than the *karta;* and

(b) any other member of the family who under any law or order or decree of a court is entitled to maintenance from the joint family property;

(h) "expenditure" means the aggregate of all sums in money or money's worth spent or disbursed by an assessee, and includes any amount which under the provisions of this Act is required to be included in the taxable expenditure;

(i) "Expenditure-tax Officer" means the Income-tax Officer authorised to perform the functions of an Expenditure-tax Officer under section 7;

(j) "Income-tax Act" means the Indian Income-tax Act, 1922 (11 of 1922);

(k) "Income-tax Officer" means a person appointed to be an Income-tax Officer under the Income-tax Act;

(l) "Inspecting Assistant Commissioner of Expenditure-tax" means a person empowered to exercise the functions of an Inspecting Assistant Commissioner of Expenditure-tax under section 10;

(m) "prescribed" means prescribed by rules made under this Act;

(n) "previous year" in relation to any assessment year, means the previous year as defined in clause (11) of section 2 of the Income-tax Act if an assessment were to be made under the said Act for that year:

Provided that where in the case of an assessee there are different previous years under the Income-tax Act for different sources of income, the previous year shall be that previous year which expired last before the commencement of that assessment year.

CHAPTER II

CHARGE OF EXPENDITURE-TAX AND EXPENDITURE SUBJECT TO SUCH CHARGE

3. *Charge of expenditure-tax.*—Subject to the other provisions contained in this Act, there shall be charged for every financial year commencing on and from the first day of April, 1958, a tax (hereinafter referred to as expenditure-tax) at the rate or rates specified in the Schedule in respect of the expenditure incurred by any individual or Hindu undivided family in the previous year:

Provided that no expenditure-tax shall be payable by an assessee in respect of any assessment year if his total income under the Income-tax Act during the previous year does not exceed sixty thousand rupees.

4. *Amounts to be included in taxable expenditure.*—In computing the expenditure liable to tax under this Act, the following amounts shall be included, namely, any expenditure incurred, whether directly or indirectly, by a person other than the assessee in respcet of any obligation or personal requirement of the assessee or any of his dependants which, but for the expenditure having been incurred by that other person, would have been incurred by the assessee.

5. *Exemptions from expenditure-tax in certain cases.*—(1) No expenditure as is referred to in the following clauses which has been incurred by the assessee, namely:—

(a) any expenditure, whether in the nature of current expenditure or capital expenditure, incurred by the assessee wholly and exclusively for the purposes of the business, profession, vocation or occupation carried on by him, but not including any personal expenditure;

(b) any expenditure incurred in the acquisition or construction of any immovable property;

(c) any expenditure incurred by way of investment in current and fixed deposits, loans, shares and securities;

(d) any expenditure incurred by way of contribution as capital to a firm or other association of persons in consideration of a share in the profits of the firm or association;

(e) any expenditure incurred by way of repayment of any loan or other borrowing;

(f) any expenditure incurred in respect of any gift, donation or settlement on trust or otherwise for the benefit of any other person;

(g) any expenditure incurred for paying premiums in respect of any policies of insurance on the life of the assessee or of any of his dependants or in respect of any health, accident or disability policies of insurance;

(h) any expenditure incurred by way of contributions to a provident, thrift or superannuation fund;

(i) any expenditure incurred by an assessee, who is not a citizen of India, outside India from any income or capital, accrued or realised outside India.

(2) Where any expenditure is not wholly and exclusively incurred for any of the purposes specified in sub-section (1), the provisions of that sub-section shall apply in respect of so much of that expenditure as is reasonably attributable to any such purpose.

6. *Exclusion from taxable expenditure.*—In computing the taxable expenditure, the following deductions and allowances shall be made, namely:—

(a) any taxes including the expenditure-tax payable under this Act, duties, cesses or fees paid to the Government or a local authority, but not including—

(i) taxes or fees in respect of any conveyance or other movable asset intended for the personal use of the assessee or any of his dependants;

(ii) customs duties on articles imported for the personal use of the assessee or any of his dependants;

(iii) any fine or penalty in respect of an offence under any law relating to the levy of taxes, duties, cesses or fees;

(b) any expenditure incurred by the assessee in respect of the marriage of any of his dependants, to the extent of Rs. 5,000 in respect of each such dependant;

(c) four-fifths of any expenditure incurred by way of capital expenditure on the purchase of jewellery, ornaments, works of art, furniture and other household goods, motor cars and other conveyances or any other article for the personal use of the assessee or any of his dependants:

Provided that where a deduction as aforesaid is made, one-fifth of the said capital expenditure shall be deemed to be incurred by the assessee in each of the four years succeeding the previous year in which the expenditure was actually incurred and no deduction shall be made under this clause in the assessment for any succeeding year in respect of expenditure so deemed to have been incurred in any earlier year;

(d) a basic allowance of Rs. 24,000 and a further allowance, if claimed, of Rs. 5,000 in respect of each dependant:

Provided that the allowance under this clause in respect of any depandant shall be reduced by the amount, if any, of the separate income of such dependant, but so as not to exceed Rs. 5,000 in any case:

Provided further that where any expenditure claimed by any individual as having been incurred in respect of any of his dependants has been allowed as a deduction from his taxable expenditure, the allowance permissible under th s clause in the case of a Hindu undivided family of which the dependant is a coparcener shall be Rs. 2,000.

CHATPER III

EXPENDITURE-TAX AUTHORITIES

7. *Expenditure-tax officers.*—Every Income-tax Officer having jurisdiction or exercising powers as such under the Income-tax Act in respect of any individual or Hindu undivided family shall perform the functions of an Expenditure-tax Officer under this Act in respect of such individual or Hindu undivided family.

8. *Appellate Assistant Commissioners of Expenditure-tax.*—The Board may empower as many persons as it thinks fit to exercise under this Act the functions of an Appellate Assistant Commissioner of Expenditure-tax, and on being so empowered the Appellate Assistant Commissioners of Expenditure-tax shall perform their functions in respect of such areas or such classes of persons as the Board may direct, and where such directions have assigned to two or more Appellate Assistant Commissioners the same area or the same classes of persons, they shall perform their functions in accordance with such orders as the Board may make for the distribution and allocation of the work to be performed.

9. *Commissioners of Expenditure-tax.*—The Board may empower as many persons as it thinks fit to exercise under this Act the functions of a Commissioner of Expenditure-tax, and on being so empowered the Commissioners of Expenditure-tax shall peform their functions in respect of such areas or such classes of persons as the Board may direct, and where such directions have assigned to two or more Commissioners of Expenditure-tax the same area or the same classes of persons, they shall have concurrent jurisdiction subject to such orders, if any, as the Board may make for the distribution and allocation of the work to be performed.

10. *Inspecting Assistant Commissioners of Expenditure-tax.*—The Commissioner of Expenditure-tax may empower as many persons as he thinks fit to exercise under this Act the functions of an Inspecting Assistant Commissioner of Expenditure-tax and on being so empowered the Inspecting Assistant Commissioners of Expenditure-tax shall perform their functions in respect of such areas or such classes of persons as the Commissioner of Expenditure-tax may direct, and where such directions have assigned to two or more Inspecting Assistant Commissioners of Expenditure-tax the same area or the same classes of persons they shall perform their functions in accordance with such orders as the Commissioner of Expenditure-tax may make for the distribution and allocation of the work to be performed.

11. *Expenditure-tax Officers to be subordinate to the Commissioner of Expenditure-tax and the Inspecting Assistant Commissioner of Expenditure-tax.*—The Expenditure-tax Officers shall be subordinate to the Commissioner of Expenditure-tax and the Inspecting Assistant Commissioner of Expenditure-tax within whose jurisdiction they perform their functions.

12. *Expenditure-tax authorities to follow orders, etc. of the Board.*—All officers and other persons employed in the execution of this Act shall observe and follow the orders, instructions and directions of the Board:

Provided that no orders, instructions, or directions shall be given by the Board so as to interfere with the discretion of the Appellate Assistant Commissioner of Expenditure-tax in the exercise of his appellate functions.

CHAPTER IV

ASSESSMENT

13. *Return of Expenditure.*—(1) Every person whose expenditure for the previous year was of such an amount as to render him liable to expenditure-tax under this Act shall before the thirtieth day of June of the corresponding assessment year furnish to the Expenditure-tax Officer a return in the prescribed form and verified in the prescribed manner setting forth his expenditure for the previous year.

(2) If the Expenditure-tax Officer is satisfied that the expenditure of any person for any year is of such an amount as to render him liable to expenditure-tax, then, notwithstanding anything contained in sub-section (1), he may serve a notice upon such person requiring him to furnish within such period, not being less than thirty days, as may be specified in the notice, a return in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be required in the notice relating to the expenditure of such person for the previous year mentioned in the notice.

(3) The Expenditure-tax Officer may, if he is satisfied that it is necessary to do so, extend the date for the delivery of the return under this section.

14. *Return after the due date and amendment of return.*—If any person has not furnished a return within the time allowed under section 13, or having furnished a return under that section discovers any omission or a wrong statement therein, he may furnish a return or a revised return, as the case may be, at any time before the assessment is made.

15. *Assessment.*—(1) If the Expenditure-tax Officer is satisfied without requiring the presence of the assessee or production by him of any evidence that a return made under section 13 or section 14 is correct and complete, he shall assess the taxable expenditure of the assessee and determine the amount payable by him as expenditure-tax.

(2) If the Expenditure-tax Officer is not so satisfied, he shall serve a notice on the assessee, requiring him either to attend in person at his office on a date to be specified in the notice, or to produce or cause to be produced on that date any evidence on which the assessee may rely in support of his return.

(3) The Expenditure-tax Officer, after hearing such evidence as the person may produce and such other evidence as he may require on any specified points, shall, by order in writing, assess the taxable expenditure of the assessee and determine the amount payable by him as expenditure-tax.

(4) For the purpose of making an assessment under this Act, the Expenditure-tax Officer may serve on any person, whether he has made a return or not, a notice requiring him to produce or cause to be produced

on a date specified in the notice such accounts, records or other documents as the Expenditure-tax Officer may require.

(5) If any person fails to make a return in response to any notice under sub-section (2) of section 13 or fails to comply with the terms of any notice issued under sub-section (2) or sub-section (4), the Expenditure-tax Officer shall make the assessment to the best of his judgment and determine the amount payable by the person as expenditure-tax on the basis of such assessment.

16. *Expenditure escaping assessment.*—If the Expenditure-tax Officer—

(a) has reason to believe that by reason of the omission or failure on the part of the assessee to make a return of his expenditure under section 13 for any assessment year, or to disclose fully and truly all material facts necessary for his assessment for that year, the expenditure chargeable to tax has escaped assessment for that year, whether by reason of under-assessment or assessment at too low a rate or otherwise; or

(b) has in consequence of any information in his possession reason to belive, notwithstanding that there has been no such omission or failure as is referred to in clause (a), that the expenditure chargeable to tax has escaped assessment for any assessment year, whether by reason of under-assessment or assessment at too low a rate or otherwise;

he may, in cases falling under clause (a) at any time, and in cases falling under clause (b) at any time within six years of the end of that assessment year, serve on the assessee a notice containing all or any of the requirements which may be included in a notice under sub-section (2) of section 13, and may proceed to assess or reassess such expenditure, and the provisions of this Act shall, so far as may be, apply as if the notice had issued under that sub-section.

17. *Penalty for concealment.*—(1) If the Expenditure-tax Officer is satisfied that any person—

(a) has without reasonable cause failed to furnish the return of his expenditure which he is required to furnish under sub-section (1) or sub-section (2) of section 13 or section 16, or has without reasonable cause failed to furnish it within the time allowed and in the manner required; or

(b) has without reasonable cause failed to comply with a notice under sub-section (2) or sub-section (4) of section 15; or

(c) has concealed the particulars of any expenditure or deliberately furnished inaccurate particulars thereof, he may, by order in writing, direct that such person shall pay by way of penalty—

(i) in the case referred to in clause (a), in addition to the amount of expenditure-tax payable by him a sum not exceeding one-and-a-half times the amount of such tax, and

(ii) in the case referred to in clause (b) or clause (c), in addition to the amount of expenditure-tax payable by him a sum not exceeding one-and-a-half times the amount of the tax, if any, which would have been avoided if the expenditure returned by such person had been accepted as correct.

(2) No order shall be made under sub-section (1) unless the person concerned has been given a reasonable opportunity of being heard.

(3) No prosecution for an offence under this Act shall be instituted in respect of the same facts in relation to which a penalty has been imposed under this section.

(4) The Expenditure-tax Officer shall not impose any penalty under this section without the previous approval of the Inspecting Assistant Commissioner of Expenditure-tax.

CHAPTER V

LIABILITY TO ASSESSMENT IN SPECIAL CASES

18. *Tax of deceased persons payable by legal representative.*—(1) Where a person dies, his executor, administrator or other legal representative shall be liable to pay out of the estate of the deceased person to the extent to which the estate is capable of meeting the charge, the expenditure-tax assessed as payable by such person, or any tax which would have been payable by him under this Act if he had not died.

(2) Where a person dies without having furnished a return under the provisions of section 13 or after having furnished a return which the Expenditure-tax Officer has reason to believe to be incorrect or incomplete, the Expenditure-tax Officer may make an assessment of the expenditure of such person and determine the expenditure-tax payable by the person on the basis of such assessment, and for this purpose may, by the issue of the appropriate notice which would have had to be served upon the deceased person if he had survived, require from the executor, administrator or other legal representative of the deceased person any accounts, documents or other evidence which might under the provisions of section 15 have been required from the deceased person.

(3) The provisions of section 14 shall apply to an executor, administrator or other legal representative as they apply to any person referred to in that section.

19. *Assessment after partition of a Hindu undivided family.*—(1) Where, at the time of making an assessment, it is brought to the notice of the Expenditure-tax Officer that a partition has taken place among the members of a Hindu undivided family, and the Expenditure-tax Officer, after inquiry, is satisfied that such partition has taken place, he shall make assessments on the expenditure of the undivided family as such for the assessment year or years including the year relevant to the previous year in which the partition has taken place, and each member or group of members shall be liable jointly and severally for the tax assessed on the expenditure of the joint family as such.

(2) Where the Expenditure-tax Officer is not so satisfied, he may, by order, declare that such family shall be deemed for the purposes of this Act to continue to be a Hindu undivided family liable to be assessed as such.

CHAPTER VI

APPEALS, REVISIONS AND REFERENCES

20. *Appeal to the Appellate Assistant Commissioner from orders of Expenditure-tax Officers.*—(1) Any person,—

(a) objecting to the amount of his taxable expenditure determined under this Act; or

(b) objecting to the amount of expenditure-tax determined as payable by him under this Act; or

(c) denying his liability to be assessed under this Act; or

(d) objecting to any penalty imposed by the Expenditure-tax Officer under section 17; or

(e) objecting to any order of the Expenditure-tax Officer under sub-section (2) of section 19;

may appeal to the Appellate Assistant Commissioner against the assessment or order, as the case may be, in the prescribed form and verified in the prescribed manner.

(2) An appeal shall be presented within thirty days of the receipt of the notice of demand relating to the assessment or penalty objected to, or the date on which any order objected to is communicated to him, but the Appellate Assistant Commissioner may admit an appeal after the expiration of the period aforesaid if he is satisfied that the appellant had sufficient cause for not presenting the appeal within that period.

(3) The Appellate Assistant Commissioner shall fix a day and place for the hearing of the appeal and may from time to time adjourn the hearing.

(4) The Appellate Assistant Commissioner may, before disposing of any appeal, make such further inquiry as he thinks fit or cause further inquiry to be made by the Expenditure-tax Officer.

(5) Any order passed by the Appellate Assistant Commissioner on appeal may include an order enhancing the assessment or penalty:

Provided that no order enhancing an assessment or penalty shall be made unless the person affected thereby has been given a reasonable opportunity of showing cause against such enhancement.

(6) A copy of every order passed by the Appellate Assistant Commissioner under this section shall be forwarded to the appellate and the Commissioner.

21. *Appeal to the Appellate Tribunal from orders of the Appellate Assistant Commissioners.*—(1) Any assessee objecting to an order passed by an Appellate Assistant Commissioner under section 20 may appeal to the Appellate Tribunal within sixty days of the date on which he is served with notice of such order.

(2) The Commissioner may, if he is not satisfied as to the correctness of any order passed by an Appellate Assistant Commissioner under section 20, direct the Expenditure-tax Officer to appeal to the Appellate Tribunal against such order, and such appeal may be made at any time before the expiry of sixty days of the date on which the order is communicated to the Commissioner.

(3) An appeal to the Appellate Tribunal shall be in the prescribed form, and shall be verified in the prescribed manner and shall, except in the case of an appeal referred to in sub-section (2), be accompanied by a fee of one hundred rupees.

(4) The Appellate Tribunal may, after giving both parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit, and any such orders may include an order enhancing the assessment or penalty:

Provided that no order enhancing an assessment or penalty shall be made unless the person affected thereby has been given a reasonable opportunity of showing cause against such enhancement.

(5) A copy of every order passed by the Appellate Tribunal under this section shall be forwarded to the assessee and the Commissioner.

(6) Save as provided in section 24 any order passed by the Appellate Tribunal on appeal shall be final.

(7) The provisions of sub-sections (5), (7), and (8), of section 5A of the Income-tax Act shall apply to the Appellate Tribunal in the discharge of its functions under this Act as they apply to it in the discharge of its functions under the Income-tax Act.

22. *Power of Commissioner to revise orders of Expenditure-tax Officers in the interests of revenue.*—(1) The Commissioner may call for and examine the record of any proceeding under this Act and, if he considers that any order passed therein by an Expenditure-tax Officer is erroneous in so far as it is prejudicial to the interests of revenue, he may, after giving the assessee an opportunity of being heard and after making or causing to be made such inquiry as he deems necessary, pass such orders thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment or cancelling it and directing a fresh assessment.

(2) No order shall be made under sub-section (1) after the expiry of two years from the date of the order sought to be revised.

23. *Appeal to the Appellate Tribunal from orders of enhancement by Commissioner.*—(1) Any assessee objecting to an order of enhancement made by the Commissioner under section 2 may appeal to the Appellate Tribunal within sixty days of the date on which the order is communicated to him.

(2) An appeal to the Appellate Tribunal under sub-section (1) shall be in the prescribed form and shall be verified in the prescribed manner and shall be accompanied by a fee of rupees one hundred.

(3) The Tribunal may, after giving the appellant an opportunity of being heard, pass such order thereon as it thinks fit, and shall communicate any such order to the assessee and to the Commissioner.

24. *Reference to High Court.*—(1) Within ninety days of the date upon which he is served with an order under section 21 or section 23, the assessee or the Commissioner may present an application in the prescribed form accompanied, where application is made by the assessee, by a fee of one hundred rupees to the Appellate Tribunal requiring the Appellate Tribunal to refer to the High Court any question of law arising out of such order, and the Appellate Tribunal shall, if in its opinion a question of law arises out of such order, state the case for the opinion of the High Court.

(2) An application under sub-section (1) may be admitted after the expiry of the period of ninety days aforesaid if the Tribunal is satisfied that there was sufficient cause for not presenting it within the said period.

(3) If on an application made under sub-section (1) the Appellate Tribunal—

(a) refuses to state a case on the ground that no question of law arises; or

(b) rejects it on the ground that it is time barred;

the applicant may, within three months from the date on which he is served with a notice of refusal or rejection, as the case may be, apply to the High Court, and the High Court may, if it is not satisfied with the correctness of the decision of the Appellate Tribunal, require the Appellate Tribunal to state the case to the High Court, and on receipt of such requisition the Appellate Tribunal shall state the case:

Provided that if in any case where the Appellate Tribunal has been required by an assessee to state a case the Appellate Tribunal refuses to do so on the ground that no question of law arises, the assessee may, within thirty days from the date on which he receives notice of refusal to state the case, withdraw his application, and if he does so, the fee paid by him under sub-section (1) shall be refunded to him.

(4) The statement to the High Court shall set forth the facts, the determination of the Appellate Tribunal and the question of law which arises out of the case.

(5) If the High Court is not satisfied that the case as stated is sufficient to enable it to determine the question of law raised thereby, it may require the Appellate Tribunal to make such modifications therein as it may direct.

(6) The High Court, upon hearing any such case, shall decide the question of law raised therein, and in doing so may, if it thinks fit alter the form of the question of law and shall deliver judgment thereon containing the ground on which such decision is founded and shall send a copy of the judgment under the seal of the Court and the signature of the Registrar to the Appellate Tribunal and the Appellate Tribunal shall pass such orders as are necessary to dispose of the case conformably to such judgment.

(7) The costs of any reference to the High Court shall be the discretion of the Court.

(8) Section 5 of the Indian Limitation Act, 1908 (9 of 1908), shall apply to an application to the High Court under this section.

25. *Hearing by High Court.*—Where a case has been stated to the High Court under section 24, it shall be heard by a Bench of not less than two Judges of the High Court and shall be decided in accordance with the opinion of such Judges or of the majority of such Judges:

Provided that where there is no such majority, the Judges shall state the point of law upon which they differ and the case shall then be heard upon that point only by one or more of the Judges of the High Court, and such point shall be decided according to the opinion of the majority of the Judges who have heard the case, including those who first heard it.

26. *Appeal to the Supreme Court.*—(1) An appeal shall lie to the Supreme Court from any judgment of the High Court delivered on a case stated under section 24 in any case which the High Court certifies as a fit case for appeal to the Supreme Court.

(2) Where the judgment of the High Court is varied or reversed on appeal under this section, effect shall be given to the order of the Supreme Court in the manner provided in sub-section (6) of section 24.

(3) The High Court may, on application made to it for the execution of any order of the Supreme Court in respect of any costs awarded by it transmit the order for execution to any court subordinate to the High Court.

CHAPTER VII

Payment and recovery of expenditure-tax

27. *Notice of demand.*—When any tax or penalty is due in consequence of any order passed under this Act, the Expenditure-tax Officer shall serve upon the assessee or other person liable to pay such tax or penalty a notice of demand in the prescribed form specifying the sum so payable and the time within which it shall be paid.

28. *Recovery of tax and penalties.*—(1) Any amount specified as payable in a notice of demand issued under section 27 shall be paid within the time, at the place, and to the person mentioned in the notice, or if no time is so mentioned, then on or before the first day of the second month following the day of service of the notice and any assessee failing so to pay shall be deemed to be in default.

(2) Notwithstanding anything contained in this section where an assessee has presented an appeal under section 20 the Expenditure-tax Officer may in his discretion treat the assessee as not being in default as long as such appeal is undisposed of.

29. *Mode of recovery.*—The provisions of sub-sections (1), (1A), (2), (3), (4), (5), (5A), (6) and (7) of section 46 of the Income-tax Act shall apply as if the said provisions were provisions of this Act and referred to expenditure-tax instead of to income-tax and to Expenditure-tax Officer and Commissioner of Expenditure-tax instead of to Income-tax Officer and Commissioner of Income-tax.

CHAPTER VIII

Miscellaneous

30. *Rectification of mistakes.*—At any time within four years from the date of any order passed by him, or it, the Commissioner, the Expenditure-tax Officer, the Appellate Assistant Commissioner or the Appellate Tribunal may, on his, or its, own motion rectify any mistake apparent from the record and shall, within a like period, rectify any such mistake which has been brought to the notice of the Commissioner, the Expenditure-tax Officer, the Appellate Assistant Commissioner or the Appellate Tribunal, as the case may be, by an assessee:

Provided that no such rectification shall be made which has the effect of enhancing an assessment unless the assessee has been given a reasonable opportunity of being heard in the matter.

31. *Prosecutions.*—(1) If a person fails without reasonable cause—

(a) to furnish in due time any return mentioned in section 13,

(b) to produce, or cause to be produced on or before the date mentioned in any notice under sub-section (2) or sub-section (4) of section 15 such accounts, records and documents as are referred to in the notice;

he shall, on conviction before a magistrate be punishable with fine which may extend to ten rupees for every day during which the default continues.

(2) If a person makes a statement in a verification mentioned in section 13, section 20, section 21, or section 23, which is false, and which he either knows or believes to be false, or does not believe to be true, he shall be punishable with simple imprisonment which may extend to one year or with fine which may extend to one thousand rupees or with both.

(3) A person shall not be proceeded against for an offence under this section except at the instance of the Commissioner.

(4) The Commissioner may either before or after the institution of proceedings compound any such offence.

Explanation.—For the purposes of this section 'magistrate' means a presidency magistrate, a magistrate of the first class, or a magistrate of the second class specially empowered by the Central Government to try offences under this Act.

32. *Power to take evidence on oath, etc.*—The Commissioner, the Expenditure-tax Officer, the Appellate Assistant Commissioner and the Appellate Tribunal shall, for the purposes of this Act, have the same powers as are vested in a court under the Code of Civil Procedure, 1908 (5 of 1908), when trying a suit in respect of the following matters, namely:—

(a) enforcing the attendance of any person and examining him on oath;

(b) requiring the discovery and production of documents;

(c) receiving evidence on affidavit;

(d) issuing commissions for the examination of witnesses;

and any proceeding before the Commissioner, the Expenditure-tax Officer, the Appellate Assistant Commissioner or the Appellate Tribunal shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 of the Indian Penal Code (45 of 1860).

33. *Information returns and statements.*—Where for the purposes of determining the Expenditure-tax payable by any person, it appears necessary for the Expenditure-tax Officer to obtain any statement or information from any individual, Hindu undivided family, company or any other person, the Expenditure-tax Officer may serve a notice requiring such individual, Hindu undivided family, company or other person on or before a date to be therein specified, to furnish such statement or information on the points specified in the notice and the individual, the manager of the Hindu undivided family, the principal officer of the company or other person, as the case may be, shall, notwithstanding anything in any law to the contrary, be bound to furnish such statement or information to the Expenditure-tax Officer.

34. *Effect of transfer of authorities on pending proceedings.*—Whenever in respect of any proceeding under this Act any Expenditure-tax authority ceases to exercise jurisdiction and is succeeded by another who has and exercises such jurisdiction, the authority so succeeding may continue the proceeding from the stage at which the proceeding was left by his predecessor.

35. *Computation of periods of limitation.*—In computing the period of limitation prescribed for an appeal under this Act or for an application under section 24, the day on which the order complained of was made and the time requisite for obtaining a copy of such order shall be excluded.

36. *Service of notice.*—(1) A notice or a requisition under this Act may be served on the person therein named either by post or as if it were a summons issued by a court under the Code of Civil Procedure, 1908 (5 of 1908).

(2) Any such notice or requisition may, in the case of a Hindu undivided family be addressed to the manager or any adult male member of the family.

37. *Prohibition of disclosure of information.*—(1) Subject to the provisions contained in sub-section (2), the provisions of section 54 of the Income-tax Act shall apply to all accounts or in relation to statements, documents, evidence or affidavits given, produced or obtained in connection with or in the course of any proceeding under this Act, as they apply to or in relation to similar particulars under that Act, subject to the modification that the reference to 'any Income-tax authority' in clause (d) of sub-section (2) and to the Commissioner in sub-section (5) of section 54 of that Act shall be construed as a reference to any Expenditure-tax authority and to the Commissioner of Expenditure-tax respectively.

(2) Nothing contained in section 54 of the Income-tax Act shall apply to the disclosure of any such particulars as are referred to in sub-section (1) to any person acting in the execution of this Act or the Income-tax Act or the Estate Duty Act, 1953, or the Wealth Tax Act, 1957 (34 of 1953), where it is necessary or desirable to disclose the same to him for the purpose of this Act or any of the other Acts aforesaid.

38. *Bar of jurisdiction.*—Save as otherwise provided in this Act, no suit shall lie in any civil court to set aside or modify any assessment made under this Act, and no prosecution, suit or other legal proceeding shall lie against any officer of the Government for anything in good faith done or intended to be done under this Act.

39. *Appearance before Expenditure-tax authorities by authorised representatives.*—Any assessee who is entitled to or required to attend before any Expenditure-tax authority or the Appellate Tribunal in connection with any proceeding or inquiry under this Act, except where he is required under this Act to attend in person, may attend by a person authorised by him in writing in this behalf, being a relative of, or a person regularly employed by, the assessee, or a legal practitioner or a chartered accountant.

Explanation.—For the purposes of this section,—

(a) the expression 'a person regularly employed by the assessee' includes any officer of a Scheduled Bank with which the assessee maintains a current account or has other regular dealings;

(b) 'Chartered Accountant' means a Chartered Accountant as defined in the Chartered Accountants Act, 1949 (37 of 1949).

40. *Power to make rules.*—(1) The Board may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, rules made under this section may provide for—

(a) the form in which returns under this Act shall be made, and the manner in which they shall be verified;

(b) the form in which appeals and applications under this Act may be made, and the manner in which they shall be verified;

(c) the form of any notice of demand under this Act;

(d) any other matter which has to be or may be prescribed for the purposes of this Act.

(3) All rules made under this Act shall be laid before each House of Parliament, as soon as may be, after they are made, and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following.

THE SCHEDULE

(*See* section 3)

RATES OF EXPENDITURE-TAX

In the case of every individual and Hindu undivided family, on that portion of the taxable expenditure—

(i) which does not exceed Rs. 10,000;	10%
(ii) which exceeds Rs. 10,000, but does not exceed Rs. 20,000;	20%
(iii) which exceeds Rs. 20,000, but does not exceed Rs. 30,000;	40%
(iv) which exceeds Rs. 30,000, but does not exceed Rs. 40,000;	60%
(v) which exceeds Rs. 40,000, but does not exceed Rs. 50,000;	80%
(vi) which exceeds Rs. 50,000;	100%.

STATEMENT OF OBJECTS AND REASONS

The object of this Bill is to impose an annual tax on personal expenditure, above a prescribed level, of individuals and Hindu undivided families. Such a tax in addition to being a deterrent to excessive personal expenditure and an incentive for savings also forms a significant part of an integrated tax structure.

T. T. KRISHNAMACHARI.

NEW DELHI;

The 15*th May,* 1957.

FINANCIAL MEMORANDUM

This Bill proposes a levy of tax with effect from 1st April, 1958, on expenditure of individuals and Hindu undivided families. Though this is a new tax, the procedure for assessment and collection of this tax is very much allied to that of taxes on income. It is accordingly proposed that for the time being the tax be administered by the Income-tax Department and that no separate administrative machinery need be set up.

The existing pressure of work on the Income-tax Department, is however, already quite heavy. This pressure is likely to increase further on account of the proposed lowering of the minimum taxable limits. It will, therefore, be necessary to expand adequately the staff at various levels of the departmental cadres.

The increase of personnel, along with incidental expenses of administration is estimated to cost Rs. 8 lakhs per annum ultimately. Actual recruitment of staff will, however, be made as and when it is found really necessary.

I. VOLUME OF WORK

Estimated number of assessments:—

(a) Individuals	4,500
(b) Hindu undivided families	1,500
	6,000

II. REQUIREMENTS OF PERSONNEL AND FINANCE

Officers

	No.	Calculation	Amount
1. No. of Inspecting Assistant Commissioners and Appellate Assistant Commissioners (1+2)	3	3×1200×12 = Rs.	43,200
2. No. of Income-tax Officers taking the average disposal per I.T.O. per annum at 300 ..	20	20×500×12 = Rs.	1,20,000
3. No. of Inspectors	10	10×250×12 = Rs.	30,000
4. No. of Supervisors	4	4×350×12 = Rs.	16,800
5. No. of Head Clerks	10	10×250×12 = Rs.	30,000
6. No. of Upper Division Clerks	50	50×150×12 = Rs.	90,000
7. No. of Lower Division Clerks	30	30×120×12 = Rs.	43,200
8. No. of Stenographers	3	3×150×12 = Rs.	5,400
9. No. of Stenotypists	20	20×140×12 = Rs.	33,600
Staff			
			Rs. 4,12,200
say ..			Rs. 5 lakhs
Incidental expenses including Class IV staff and contingencies, etc.			Rs. 3 lakhs
TOTAL ..			Rs. 8 lakhs

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 40 of the Bill authorises the Central Board of Revenue to make rules with respect to matters like the form in which the returns may be made under the Act, the form in which the appeals should be filed or notices of demand issued. The rule making power is thus of a normal character.

LOK SABHA

A

BILL

to provide for the levy of a tax on expenditure.

The President has, in pursuance of clauses (1) and (3) of article 117 of the Constitution of India, recommended to the Lok Sabha, the introduction and consideration of the Bill.

M. N. KAUL,
Secretary.

(*Shri T. T. Krishnamachari,*
Minister of Finance.)

THE PROVISIONAL COLLECTION OF TAXES (TEMPORARY AMENDMENT) BILL, 1957

(AS INTRODUCED IN LOK SABHA)

A Bill to amend the Provisional Collection of Taxes Act. 1931, *for a temporary period.*

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows:—

1. *Short title.*—This Act may be called the Provisional Collection of Taxes (Temporary Amendment) Act, 1957.

2. *Temporary amendment of sections* 4 *and* 5, *Act* 16 *of* 1931.—Where a Bill introduced in Parliament during the period commencing on the 15th day of May, 1957, and ending with the 31st day of December, 1957, contains a declared provision as defined in section 2 of the Provisional Collection of Taxes Act, 1931, sections 4 and 5 of that Act shall have effect in relation to such Bill as if for the words "sixtieth day" in clause (c) of sub-section (2) of section 4 and in sub-section (1) of section 5, the words "one hundred and twentieth day" had been substituted.

STATEMENT OF OBJECTS AND REASONS

A Finance Bill proposing *inter alia* certain increases in customs and excise duties has been introduced in the current session of Parliament. By virtue of a declaration appended to the Bill under the Provisional Collection of Taxes Act, 1931, these increases have been provisionally brought into force immediately with the introduction of the Bill. The authority for provisional collection of the increases derived from this declaration lapses at the end of 60 days. The Finance Bill would, therefore, have to be enacted into law within this period, if provisional collection is not to come to a stop and all duties provisionally collected are not to become refundable The duration of the current session of Parliament is expected to be about three weeks only, which will not give Parliament sufficient time to examine the important taxation proposals being made in the Finance Bill. In order, therefore, that Parliament may be enabled to consider that Bill in its next session which is expected to commence in the month of July, 1957, the present Bill proposes to extend the 60-day period provided in the Provisional Collection of Taxes Act, 1931 to 120 days as a temporary measure.

T. T. KRISHNAMACHARI.

NEW DELHI;
The 15*th May*, 1957.

ANNEXURE

EXRTACT FROM THE PROVISIONAL COLLECTION OF TAXES ACT, 1931.

No. XVI OF 1931.

* * * * *

2. *Definition.*—In this Act, a "declared provision" means a provision in a Bill in respect of which a declaration has been made under section 3.

* * * * *

4. *Effect of declarations under this Act, and duration thereof.*—(1) A declared provision shall have the force of law immediately on the expiry of the day on which the Bill containing it is introduced.

(2) A declared provision shall cease to have the force of law under the provisions of this Act—

(a) when it comes into operation as an enactment, with or without amendment, or

(b) when the Central Government, in pursuance of a motion passed by the Parliament, directs, by notification in the Official Gazette, that it shall cease to have the force of law, or

(c) if it has not already ceased to have the force of law under clause (a) or clause (b), then on the expiry of the sixtieth day after the day on which the Bill containing it was introduced.

5. *Certain refunds to be made when declarations cease to have effect.*—(1) Where a declared provision comes into operation as an enactment in an amended form before the expiry of the sixtieth day after the day on which the Bill containing it was introduced, refunds shall be made of all duties collected which would not have been collecetd if the provision adopted in the enactment had been the declared provision:

Provided that the rate at which refunds of any duty may be made under this sub-section shall not exceed the difference between the rate of such duty proposed in the declared provision and the rate of such duty in force when the Bill was introduced.

(2) Where a declared provision ceases to have the force of law under clause (b) or clause (c) of sub-section (2) of section 4, refunds shall be made of all duties collected which would not have been collected if the declaration in respect of it had not been made.

LOK SABHA

A

BILL

to amend the Provisional Collection of Taxes Act, 1931 for a temporary period

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The President has, in pursuance of clauses (1) and (3) of article 117 and clause (1) of article 274 of the Constitution of India recommended to Lok Sabha, the introduction and consideration of the Bill.

M. N. KAUL,

Secretary.

(*Shri T. T. Krishnamachari,*
Minister of Finance.)

THE APPROPRIATION (No. 4) BILL 1957

(As introduced in Lok Sabha)

A

BILL

to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1957-58.

Be it enacted by Parliament in the Eighth Year of the Republic of India as follows:—

1. **Short title.**—This Act may be called the Appropriation (No. 4) Act, 1957.

2. **Issue of Rs. 5,379,37,30,000 out of the Consolidated Fund of India for the year 1957-58.**—From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate [inclusive of the sums specified in column 3 of the Schedule to the Appropriation (Vote on Account) Act, 1957 (3 of 1957)] to the sums of five thousand three hundred and seventy-nine crores, thirty-seven lakhs and thirty thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1957-58 in respect of the services specified in column 2 of the Schedule.

3. **Appropriation.**—The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(*See* sections 2 and 3)

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund.	Total
		Rs.	Rs.	Rs.
1	Ministry of Commerce and Industry	50,51,000	..	50,51,000
2	Industries	24,63,36,000	..	24,63,36,000
3	Salt	1,49,17,000	*4,13,000*	1,53,30,000
4	Commercial Intelligence and Statistics	82,81,000	..	82,81,000
5	Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry . . .	1,43,68,000	..	1,43,68,000
6	Ministry of Community Development	20,76,000	..	20,76,000
7	Community Development Projects and National Extension Service . .	12,30,86,000	..	12,30,86,000
8	Ministry of Defence	35,47,000	..	35,47,000
9	Defence Services—Effective—Army .	1,72,38,28,000	..	1,72,38,28,000
10	Defence Services—Effective—Navy .	16,01,41,000	..	16,01,41,000
11	Defence Services—Effective—Air Force	69,81,49,000	..	69,81,49,000
12	Defence Services—Non-Effective Charges	12,90,85,000	*91,04,000*	13,81,89,000
13	Ministry of Education and Scientific Research	65,24,000	..	65,24,000
14	Archaeology	96,93,000	..	96,93,000
15	Survey of India	1,64,85,000	..	1,64,85,000
16	Botanical Survey	10,67,000	..	10,67,000
17	Zoological Survey . . .	10,24,000	..	10,24,000
18	Geological Survey	95,35,000	..	95,35,000
19	Scientific Research	3,56,19,000	..	3,56,19,000
20	Other Scientific Departments . .	2,76,24,000	..	2,76,24,000
21	Education	25,86,61,000	..	25,86,61,000
22	Miscellaneous Departments and Expenditure under the Ministry of Education and Scientific Research .	1,95,54,000	..	1,95,54,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund.	Total
		Rs.	Rs.	Rs.
23	Tribal Areas	5,82,02,000	..	5,82,02,000
24	External Affairs	8,30,47,000	..	8,30,47,000
25	State of Pondicherry	3,30,33,000	18,000	3,30,51,000
26	Miscellaneous Expenditure under the Ministry of External Affairs	3,61,000	..	3,61,000
27	Ministry of Finance	1,54,94,000	..	1,54,94,000
28	Customs	4,03,13,000	..	4,03,13,000
29	Union Excise Duties	7,43,85,000	*19,16,94,000*	26,60,79,000
30	Taxes on Income including Corporation Tax and Estate Duty	4,68,79,000	..	4,68,79,000
31	Opium	2,11,07,000	..	2,11,07,000
32	Stamps	1,66,72,000	*7,07,000*	1,73,79,000
33	Audit	9,32,00,000	*19,83,000*	9,51,83,000
34	Currency	3,58,96,000	*9,45,000*	3,68,41,000
35	Mint	3,12,18,000	..	3,12,18,000
36	Territorial and Political Pensions	27,95,000	..	27,95,000
37	Superannuation Allowances and Pensions	3,16,01,000	*31,01,000*	3,47,02,000
38	Miscellaneous Departments and other Expenditure under the Ministry of Finance	25,44,51,000	*2,000*	25,44,53,000
39	Planning Commission	1,64,61,000	..	1,64,61,000
40	Miscellaneous Adjustments between the Union and State Governments	6,10,000	..	6,10,000
41	Pre-partition payments	68,81,000	*1,19,000*	70,00,000
	CHARGED—*Interest in Debt and other obligations and reduction or avoidance of Debt*	...	*1,19,33,05,000*	1,19,33,05,000
	CHARGED—*Grants-in-aid to States*	..	*25,16,66,000*	26,16,76,000
42	Ministry of Food and Agriculture	79,60,000	..	79,60,000
43	Forest	2,07,02,000	..	2,07,02,000
44	Agriculture	16,40,26,000	*1,000*	16,40,27,000
45	Civil Veterinary Services	1,44,35,000	..	1,44,35,000

No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
	Miscellaneous Departments and other Expenditure under the Ministry of Food and Agriculture	6,47,59,000		6,47,59,000
47	Ministry of Health . . .	13,13,000		13,13,000
48	Medical Services	3,88,17,000		3,88,17,000
49	Public Health	9,17,65,000		9,17,65,000
50	Miscellaneous Expenditure under the Ministry of Health . . .	1,03,81,000		1,03,81,000
51	Ministry of Home Affairs	2,63,68,000		12,63,68,000
52	Cabinet	36,56,000	..	36,56,000
53	Zonal Councils .	4,51,000		4,51,000
	Police . . .	4,87,42,000	1,000	4,87,43,000
55	Census	8,49,000		8,49,000
56	Privy Purses and Allowances of Indian Rulers	5,11,000	5,49,37,000	5,54,48,000
57	Delhi	7,01,63,000	..	7,01,63,000
58	Himachal Pradesh	4,67,32,000	1,80,000	4,69,12,000
59	Andamans and Nicobar Islands	2,74,27,000		2,74,27,000
60	Manipur . . .	1,47,53,000		1,47,53,000
61	Tripura	2,38,67,000	42,000	2,39,09,000
62	Laccadive, Minicoy and Amindivi Islands	14,65,000		14,65,000
63	Miscellaneous Departments and Expenditure under the Ministry of Home Affairs	10,52,38,000		10,52,38,000
64	Ministry of Information and Broadcasting	13,21,000		13,21,000
65	Broadcasting	3,79,89,000		3,79,89,000
66	Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting .	3,47,04,000		3,47,04,000
67	Ministry of Irrigation and Power	17,37,000		17,37,000
68	Multi-purpose River Schemes	1,60,33,000		1,60,33,000

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund.	Total
		Rs.	Rs.	Rs.
69	Miscellaneous Departments and Other Expenditure under the Ministry of Irrigation and Power	98,80,000	..	98,08,000
70	Ministry of Labour and Employment .	16,94,000	.	16,94,000
71	Chief Inspector of Mines .	23,84,000	..	23,84,000
72	Miscellaneous Departments and Other Expenditure under the Ministry of Labour and Employment	8,66,57,000	..	8,66,57,000
73	Ministry of Law	1,72,38,000	..	1,72,38,000
74	Administration of Justice .	2,38,000	*12,61,000*	14,99,000
74	Miscellaneous Expenditure under the Ministry of Law	6,25,000	..	6,25,000
76	Ministry of Rehabilitation	43,75,000		43,75,000
77	Expenditure on Displaced Persons	22,50,26,000	..	22,50,26,000
78	Ministry of Steel, Mines and Fuel .	31,51,000	.	31,51,000
79	Mines	48,63,000	.	48,63,000
80	Exploration of Oil and Natural Gas .	2,57,67,000		2,57,67,000
81	Miscellaneous Departments and Other Expenditure under the Ministry of Steel, Mines and Fuel .	55,96,93,000	..	55,96,93,000
82	Ministry of Transport and Communications .	72,09,000	.	72,09,000
83	Indian Posts and Telegraphs Department (including Working Expenses)	59,64,99,000	*2,78,94,000*	62,43,93,000
84	Ports and Pilotage .	63,17,000	.	63,17,000
85	Lighthouses and Lightships . .	1,38,56,000		1,38,56,000
86	Meteorology	1,52,29,000	..	1,52,29,000
87	Overseas Communications Service .	1,14,86,000	*6,73,000*	1,21,59,000
88	Aviation	3,56,13,000	*50,000*	3,56,63,000
89	Central Road Fund . . .	4,28,19,000	..	4,28,19,000
90	Communications (including National Highways)	5,72,68,000	..	5,72,68,000
91	Miscellaneous Departments and Other Expenditure under the Ministry of Transport and Communications .	1,57,94,000	..	1,57,94,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
92	Ministry of Works, Housing and Supply	56,01,000	..	56,01,000
93	Supplies	2,61,14,000	..	2,61,14,000
94	Other Civil Works	20,66,52,000	*33,52,000*	21,00,04,000
95	Stationery and Printing . .	6,89,77,000	..	6,89,77,000
96	Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply . . .	89,86,000	..	89,86,000
97	Department of Atomic Energy .	8,70,000	..	8,70,000
98	Atomic Energy Research	3,10,00,000	..	3,10,00,000
99	Department of Parliamentary Affairs .	1,91,000	..	1,91,000
100	Lok Sabha	1,20,69,000	*67,000*	1,21,36,000
101	Miscellaneous Expenditure under Lok Sabha . . .	34,000	..	34,000
102	Rajya Sabha	36,82,000	*77,000*	37,59,000
	CHARGED—*Staff, Household and Allowances of the President* .	..	*18,38,000*	18,38,000
103	Secretariat of the Vice-President . .	62,000	..	62,000
	CHARGED—*Union Public Service Commission*	..	*36,74,000*	36,74,000
104	Capital Outlay of the Ministry of Commerce and Industry . .	14,19,01,000	..	14,19,01,000
105	Capital Outlay of the Ministry of Community Development	1,67,49,000	..	1,67,49,000
106	Defence Capital Outlay .	25,00,00,000	..	25,00,00,000
107	Capital Outlay of the Ministry of Education and Scientific Research .	1,83,17,000	..	1,83,17,000
108	Capital Outlay of the Ministry of External Affairs . . .	30,00,000	..	30,00,000
109	Capital Outlay on the India Security Press	7,61,000	..	7,61,000
110	Capital Outlay on Currency and Coinage	2,66,81,000	..	2,66,81,000
111	Capital Outlay on Mints . . .	72,00,000	..	72,00,000
112	Commuted Value of Pensions . .	42,55,000	*1,00,000*	43,55,000
113	Payments to Retrenched Personnel .	24,000	..	24,000

1	2	3		
		Sums not exceeding		
No. of Vote	Services and purposes	Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
114	Other Capital Outlay of the Ministry of Finance	1,04,85,50,000	..	1,04,85,50,000
115	Loans and Advances by the Central Government	86,33,44,000	*2,53,07,77,000*	3,39,41,21,000
	CHARGED—*Repayment of Debt* . .	..	*35,00,19,31,000*	35,00,91·21,000
116	Capital Outlay on Forests . . .	18,31,000	..	18,31,000
117	Purchase of Foodgrains . .	1,46,21,80,000	*3,20,000*	1,46,25,00,000
118	Other Capital Outlay of the Ministry of Food and Agriculture . .	35,14,82,000	..	35,14,82,000
119	Capital Outlay of the Ministry of Health	10,10,88,000	..	10,10,88,000
120	Capital Outlay of the Ministry of Home Affairs	2,22,89,000	..	2,22,89,000
121	Capital Outlay on Broadcasting . .	3,40,00,000	..	3,40,00,000
122	Capital Outlay on Multipurpose River Schemes	3,73,07,000	..	3,73,07,000
123	Other Capital Outlay of the Ministry of Irrigation and Power . .	94,87,000	..	94,87,000
124	Capital Outlay of the Ministry of Labour and Employment .	34,22,000	.	34,22,000
125	Capital Outlay of the Ministry of Rehabilitation	24,00,00,000	..	24,00,00,000
126	Capital Outlay of the Ministry of Steel, Mines and Fuel . .	1,68,65,24,000	..	1,68,65,24,000
127	Capital Outlay on Indian Posts and Telegraphs (not met from Revenue)	24,77,45,000	..	24,77,45,000
128	Capital Outlay on Civil Aviation .	2,87,61,000	..	2,87,61,000
129	Capital Outlay on Ports	5,35,00,000	..	5,35,00,000
130	Capital outlay on Roads . . .	14,50,00,000	..	14,50,00,000
131	Other Capital Outlay of the Ministry of Transport and Communications	11,52,92,000	..	11,52,92,000
132	Delhi Capital Outlay	7,33,19,000	*5,23,000*	7,38,42,000
133	Capital Outlay on Buildings . .	4,58,72,000	*2,86,000*	4,61,58,000
134	Other Capital Outlay of the Ministry of Works, Housing and Supply .	2,15,76,000	..	2,15,76,000
135	Capital Outlay of the Department of the Atomic Energy	9,00,00,000	..	9,00,00,000
	GRAND TOTAL . . .	14,51,26,89,000	*39,28,10,41,000*	5,379,37,30,000

STATEMENT OF OBJECTS AND REASONS

This Bill is introduced in pursuance of article 114(1) of the Constitution of India to provide for the appropriation out of the Consolidated Fund of India of the moneys required to meet the expenditure charged on the Consolidated Fund and the grants made by the Lok Sabha for expenditure of the Central Government, excluding Railways, for the financial year 1957-58.

T. T. KRISHNAMACHARI.

NEW DELHI;
The 21*st* *August*, 1957.

LOK SABHA

A

BILL

to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1957-58.

The President has, in pursuance of clauses (1) and (3) of article 117 of the Constitution of India, recommended to Lok Sabha, the introduction and consideration of the Bill.

M. N. KAUL,
Secretary.

(*Shri T. T. Krishnamachari,*
Ministry of Finance).

THE APPROPRIATION (NO. 4) ACT, 1957

AN

ACT

to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1957-58.

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows:—

1. **Short title.**—This Act may be called the Appropriation (No. 4) Act, 1957.

2. **Issue of Rs. 5.379.37,30,000 out of the Consolidated Fund of India for the year 1957-58.**—From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate [inclusive of the sums specified in column 3 of the Schedule to the Appropriation (Vote on Account) Act, 1957. 3 of 1957] to the sums of five thousand three hundred and seventy-nine crores, thirty-seven lakhs and thirty thousand rupees towards defraying the several charges which will come in course of payment during the financial year 1957-58 in respect of the services specified in column 2 of the Schedule.

3. **Appropriation.**—The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

THE SCHEDULE

(*See* sections 2 & 3)

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
1	Ministry of Commerce and Industry	50,51,000	..	50,51,000
2	Industries	24,63,36,000	..	24,63,36,000
3	Salt	1,49,17,000	*4,13,000*	1,53,30,000
4	Commercial Intelligence and Statistics	82,81,000	..	82,81,000
5	Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry	1,43,68,000	..	1,43,68,000
6	Ministry of Community Development	20,76,0000	..	20,76,000
7	Community Development Projects and National Extension Service	12,30,76,000	..	12,30,86,000
8	Ministry of Defence	35,47,000	..	35,47,000
9	Defence Services—Effective—Army	1,72,38,28,000	..	1,72,38,28,000
10	Defence Services—Effective—Navy	16,01,41,000	..	16,01,41,000
11	Defence Services—Effective—Air Force	69,81,49,000	..	69,81,49,000
12	Defence Services—Non-Effective Charges	12,90,85,000	*91,04,000*	13,81,89,000
13	Ministry of Education and Scientific Research	65,24,000	..	65,24,000
14	Archaeology	96,93,000	..	96,93,000
15	Survey of India	1,64,85,000	.	1,64,85,000
16	Botanical Survey	10,67,000	..	10,67,000
17	Zoological Survey	10,24,000	..	10,24,000
18	Geological Survey	95,35,000	..	95,35,000
19	Scientific Research	3,56,19,000	..	3,56,19,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
20	Other Scientific Departments	2,76,24,000	..	2,76,24,000
21	Education . . .	25,86,61,000	..	25,86,61,000
22	Miscellaneous Departments and expenditure under the Ministry of Education and Scientific Research . .	1,95,54,000	..	1,95,54,000
23	Tribal Areas . . .	5,82,02,000	..	5,82,02,000
24	External Affairs .	8,30,47,000	..	8,30,47,000
25	State of Pondicherry .	3,30,33,000	*18,000*	3,30,51,000
26	Miscellaneous Expenditure under the Ministry of External Affairs .	3,61,000	..	3,61,000
27	Ministry of Finance	1,54,94,000	..	1,54,94,000
28	Customs . .	4,03,13,000	..	4,03,13,000
29	Union Excise Duties .	7,43,85,000	*19,16,94,000*	26,60,79,000
30	Taxes on Income including Corporation Tax and Estate Duty . .	4,68,79,000	..	4,68,79,000
31	Opium	2,11,07,000	..	2,11,07,000
32	Stamps . . .	1,66,72,000	*7,07,000*	1,73,79,000
33	Audit . .	9,32,00,000	*19,83,000*	9,51,83,000
34	Currency	3,58,96,000	*9,45,000*	3,68,41,000
35	Mint	3,12,18,000	..	3,12,18,000
36	Territorial and Political Pensions . . .	27,95,000	..	27,95,000
37	Superannuation Allowances and Pensions . .	3,16,01,000	*31,01,000*	3,47,02,000
38	Miscellaneous Departments and other Expenditure under the Ministry of Finance . . .	25,44,51,000	*2,000*	25,44,53,000
39	Planning Commission .	1,64,61,000	..	1,64,61,000
40	Miscellaneous Adjustments between the Union and State Governments .	6,10,000	..	6,10,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
41	Pre-partition payments .	68,81,000	*1,19,000*	70,00,000
	CHARGED.—*Interest on Debt and other obligations and reduction or avoidance of Debt* . . .	..	*1,19,33,05,000*	1,19,33,05,000
	CHARGED.—*Grants-in-aid to States* .	..	*25,16,66,000*	25,16,66,000
42	Ministry of Food and Agriculture . .	79,60,000	..	79,60,000
43	Forest . .	2,07,02,000	..	2,07,02,000
44	Agriculture	16,40,26,000	*1,000*	16,40,27,000
45	Civil Veterinary Services .	1,44,35,000	..	1,44,35,000
46	Miscellaneous Departments and Other Expenditure under the Ministry of Food and Agriculture .	6,47,59,000	..	6,47,59,000
47	Ministry of Health .	13,13,000	..	13,13,000
48	Medical Services	3,88,17,000	..	3,88,17,000
49	Public Health . .	9,17,65,000	..	9,17,65,000
50	Miscellaneous Expenditure under the Ministry of Health . .	1,03,81,000	..	1,03,81,000
51	Ministry of Home Affairs .	2,63,68,000	..	2,63,68,000
52	Cabinet	36,56,000	..	36,56,000
53	Zonal Councils . .	4,51,000	..	4,51,000
54	Police	4,87,42,000	*1,000*	4,87,43,000
55	Census	8,49,000	..	8,49,000
56	Privy Purses and Allowances of Indian Rulers .	5,11,000	*5,49,37,000*	5,54,48,000
57	Delhi	7,01,63,000	..	7,01,63,000
58	Himachal Pradesh . .	4,67,32,000	*1,80,000*	4,69,12,000
59	Andaman and Nicobar Islands	2,74,27,000	..	2,74,27,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
60	Manipur . . .	1,47,53,000	.	1,47,53,000
61	Tripura	2,38,67,000	*42,000*	2,39,09,000
62	Laccadive, Minicoy and Amindivi Islands . .	14,65,000		14,65,000
63	Miscellaneous Departments and Expenditure under the Ministry of Home Affairs .	10,52,38,000	..	10,52,38,000
64	Ministry of Information and Broadcasting . .	13,21,000	..	13,21,000
65	Broadcasting	3,79,89,000	..	3,79,89,000
66	Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting .	3,47,04,000		3,47,04,000
67	Ministry of Irrigation and Power . . .	17,37,000	..	17,37,000
68	Multi-purpose River Schemes	1,60,33,000	.	1,60,33,000
69	Miscellaneous Departments and other Expenditure under the Ministry of Irrigation and Power . .	98,08,000	.	98,08,000
70	Ministry of Labour and Employment . . .	16,94,000	.	16,94,000
71	Chief Inspector of Mines .	23,84,000	..	23,84,000
72	Miscellaneous Departments and Other Expenditure under the Ministry of Labour and Employment	8,66,57,000	..	8,66,57,000
73	Ministry of Law . . .	1,72,38,000	..	1,72,38,000
74	Administration of Justice .	2,38,000	*12,61,000*	14,99,000
75	Miscellaneous Expenditure under the Ministry of Law	6,25,000	..	6,25,000
76	Ministry of Rehabilitation .	43,75,000	..	43,75,000
77	Expenditure on Displaced Persons . . .	22,50,26,000	..	22,50,26,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
78	Ministry of Steel, Mines and Fuel	31,15,000	..	31,15,000
79	Mines	48,63,000	..	48,63,000
80	Exploration of Oil and Natural Gas	2,57,67,000	..	2,57,67,000
81	Miscellaneous Departments and Other Expenditure under the Ministry of Steel, Mines and Fuel	55,96,93,000	..	55,96,93,000
82	Ministry of Transport and Communications	72,09,000	..	72,09,000
83	Indian Posts and Telegraphs Department (including Working Expenses)	59,64,99,000	*2,78,94,000*	62,43,93,000
84	Ports and Pilotage	63,17,000	..	63,17,000
85	Lighthouses and Lightships	1,38,56,000	..	1,38,56,000
86	Meteorology	1,52,29,000	..	1,52,29,000
87	Overseas Communications Service	1,14,86,000	*6,73,000*	1,21,59,000
88	Aviation	3,56,13,000	*50,000*	3,56,63,000
89	Central Road Fund	4,28,19,000	..	4,28,19,000
90	Communications (including National Highways)	5,72,68,000	..	5,72,68,000
91	Miscellaneous Departments and Other Expenditure under the Ministry of Transport and Communications	1,57,94,000	..	1,57,94,000
92	Ministry of Works, Housing and Supply	56,01,000	..	56,01,000
93	Supplies	2,61,14,000	..	2,61,14,000
94	Other Civil Works	20,66,52,000	*33,52,000*	21,00,04,000
95	Stationery and Printing	6,89,77,000	..	6,89,77,000
96	Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply	89,86,000	..	89,86,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
97	Department of Atomic Energy	8,70,000	..	8,70,000
98	Atomic Energy Research .	3,10,00,000	..	3,10,00,000
99	Department of Parliamentary Affairs	1,91,000	..	1,91,000
100	Lok Sabha . . .	1,20,69,000	*67,000*	1,21,36,000
101	Miscellaneous Expenditure under Lok Sabha . .	34,000	..	34,000
102	Rajya Sabha . . .	36,82,000	*77,000*	37,59,000
	CHARGED—*Staff, Household and Allowances of the President*	..	*18,38,000*	18,38,000
103	Secretariat of the Vice-President	62,000	..	62,000
	CHARGED—*Union Public Service Commission* . .	..	*36,74,000*	36,74,000
104	Capital Outlay of the Ministry of Commerce and Industry	14,19,01,000	..	14,19,01,000
105	Capital Outlay of the Ministry of Community Development . . .	1,67,49,000	..	1,67,49,000
106	Defence Capital Outlay .	25,00,00,000	..	25,00,00,000
107	Capital Outlay of the Ministry of Education and Scientific Research . . .	1,83,17,000	..	1,83,17,000
108	Capital Outlay of the Ministry of External Affairs .	30,00,000	..	30,00,000
109	Capital Outlay on the India Security Press . .	7,61,000	..	7,61,000
110	Capital Outlay on Currency and Coinage . . .	2,66,81,000	..	2,61,81,000
111	Capital Outlay on Mints .	72,00,000	..	72,00,000
112	Commuted Value of Pensions . . .	4,255,000	*1,00,000*	43,55,000
113	Payments to Retrenched Personnel	24,000	..	24,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
114	Other Capital Outlay of the Ministry of Finance .	1,04,85,50,000	..	1,04,85,50,000
115	Loans and Advances by the Central Government .	86,33,44,000	*2,53,07,77,000*	3,39,41,21,000
	CHARGED—*Reapayment of Debt*	..	*35,00,19,31,000*	35,00,19,31,000
116	Capital Outlay on Forests .	18,31,000	..	18,31,000
117	Purchase of Foodgrains .	1,46,21,80,000	*3,20,000*	1,46,25,00,000
118	Other Capital Outlay of the Ministry of Food and Agriculture	35,14,82,000	..	35,14,82,000
119	Capital Outlay of the Ministry of Health . .	10,10,88,000	.	10,10,88,000
120	Capital Outlay of the Ministry of Home Affairs . .	2,22,89,000	..	2,22,89,000
121	Capital Outlay on Broadcasting	3,40,00,000	..	3,40,00,000
122	Capital Outlay on Multipurpose River Schemes . .	3,73,07,000	..	3,73,07,000
123	Other Capital Outlay of the Ministry of Irrigation and Power	94,87,000	..	94,87,000
124	Capital Outlay of the Ministry of Labour and Employment	34,22,000	..	34,22,000
125	Capital Outlay of the Ministry of Rehabilitation . .	24,00,00,000	..	24,00,00,000
126	Capital Outlay of the Ministry of Steel, Mines and Fuel . . .	1,68,65,24,000	..	1,68,65,24,000
127	Capital Outlay on Indian Posts and Telegraphs (not met from Revenue) . .	24,77,45,000	..	24,77,45,000
128	Capital Outlay on Civil Aviation . . .	2,87,61,000	..	2,87,61,000
129	Capital Outlay on Ports .	5,35,00,000	..	5,35,00,000
130	Capital Outlay on Roads .	14,50,00,000	..	14,50,00,000

1	2	3		
No. of Vote	Service and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
131	Other Capital Outlay of the Ministry of Transport and Communications . .	11,52,92,000	..	11,52,92,000
132	Delhi Capital Outlay . .	7,33,19,000	*5,23,000*	7,38,42,000
133	Capital Outlay on Buildings	4,58,72,000	*2,86,000*	4,61,58,000
134	Other Capital Outlay of the Ministry of Works, Housing and Supply . .	2,15,76,000	..	2,15,76,000
135	Capital Outlay of the Department of the Atomic Energy . . .	9,00,00,000	..	9,00,00,000
	GRAND TOTAL . .	14,51,26,89,000	*39,28,10,41,000*	53,79,37,30,000

A

BILL

to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the service of the financial year 1957-58.

(As passed by the Houses of Parliament)

MINISTRY OF FINANCE

RESOLUTION

New Delhi, the 11th October 1957

No. F. 2(79)-B/57.—The annual financial statement for 1957-58 as presented to the Parliament on the 15th May, 1957 is now published in its final form for general information.

2. As a result of the modifications in the Finance Bill and Wealth Tax Bill accepted by Parliament, the Revenue will be reduced by Rs. 8,99,50,000 as detailed below:—

	Rs.
Customs	(—) 40,00,000
Union Excise Duties	(—) 3,06,00,000
Taxes on Income (including Corporation Tax)	(—) 3,04,00,000
Wealth Tax	(—) 2,50,00,000
Posts & Telegraphs—net	(+) 50,000
	(—) 8,99,50,000

The net reduction above has been arrived at after allowing for increase of Rs. 4,84,00,000 in the share of Income Tax allocable to the States.

3. The Revenue from Taxes on Railway fares, is now estimated at Rs. 7,00,00,000, which would accrue to the States.

4. The Demands for Grants for the year 1957-58 were voted without modification.

5. The surplus on Revenue Account will, thus stand at Rs. 35,73,67,000.

GOVERNMENT OF INDIA

BUDGET

of the

CENTRAL GOVERNMENT

for

1957-1958

(As finally adopted)

MINISTRY OF FINANCE, New Delhi, the 11th October 1957

H. M. PATEL, *Principal Secretary.*

CONTENTS

I.—GENERAL STATEMENT OF THE REVENUE AND CENTRAL GOVERNMENT

[In thousands of Rupees]

	For details, *vide* Statement	Accounts 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
I.—CONSOLIDATED FUND OF INDIA					
REVENUE—					
Principal Heads of Revenue—					
Customs . . .	A	1,66,69,72	1,50,00,00	1,71,00,00	1,62,00,00 +5,60,00*
Union Excise Duties	,,	1,45,25,21	1,70,35,00	1,88,73,00	2,09,43,00 +45,94,00*(b)
Corporation Tax .	,,	37,04,32	48,24,00	48,24,00	50,50,00
Taxes on Income other than Corporation Tax and Estate Duty . . .	,,	76,19,97	86,35,00	82,61,00	85,96,00 +3,96,00*
Estate Duty . .	,,	—5,43	17,57	11,00	900
Taxes on Wealth .	,,	. .	. .	.	12,50,00%
Taxes on Railway Fares and Freight..	,,	. .	. .	. .	. .
Opium . . .	,,	2,08,67	2,10,00	2,24,00	2,50,00
Other Heads . .	,,	3,89,50	3,41,54	5,74,98	9,25,34
TOTAL—PRINCIPAL HEADS		4,31,11,96	4,60,63,11	4,98,67,98	5,19,73,34 +68,00.00*%
Contributions from Railways . .	,,	5,80,09	6,56,72	6,03,26	6,67,38
Irrigation : Net Receipts . . .	,,	—51	5	64	1,66
Posts and Telegraphs: (Net) (*a*) . .	,,	3,47,31	1,59,54	5,29,60	3,08,76 +85,50*
Debt Services . .	,,	2,83,88	5,48,98	5,24,22	4,90,25
Civil Administration	,,	14,45,31	11,06,07	15,49,43	43,20,84
Currency and Mint .	,,	23,08,65	23,67,47	24,47,76	36,02,31
Civil Works and Miscellaneous Public Improvements .	,,	2,63,48	2,41,18	2,69,12	2,93,14
Electricity Schemes .	,,	2,34	—1,75	71	1,91
Miscelleneous . .	,,	20,72,56	15,44,37	13,05,89	7,81,02
Contributions and Miscellaneous Adjustments between Union and State Governments .	,,	6,23	. .	3,63	2,90
Extraordinary Items .	,,	11,25	53,30	46,37	10,53,62
TOTAL—REVENUE .		5,04,32,55	5,27,39,04	5,71,48,61	6,34,97,13 +68,85,50%*
EXCESS OF EXPENDITURE OVER REVENUE OR DEFICIT . . .		. .	18,04,28	. .	. .
TOTAL . .		5,04,32,55	5,45,43,32	5,71,48,61	7,03,82,63

* Effect of Finance Act.

%Effect of Wealth Tax Act.

(*a*) Figures shown net; the expenditure shown in Statement B has been taken in reduction of the receipts shown in Statement A.

(*b*) Excludes a sum of Rs. 420 lakhs being the share of Union Excise Duties payable to states which has been taken in reduction of Revenue.

Note.—The accounts for 1955-56 have not been finally closed and the actuals given here are only provisional.

EXPENDITURE MET FROM REVENUE OF THE CENTRAL GOVERNMENT.

[In thousands of Rupees]

	For details, *vide* Statement	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
I.—CONSOLIDATED FUND OF INDIA					
EXPENDITURE—					
Direct Demands on the Revenue	B	32,30,30	37,14,88	37,91,63	41,79,93
Irrigation	,,	5,66	4,76	7,65	10,21
Debt Services	,,	43,14,27	35,50,00	38,21,17	35,00,00
Civil Administration	,,	94,07,51	1,35,91,52	1,33,64,18	1,91,01,85
Currency and Mint	,,	3,33,66	3,76,55	5,01,69	6,71,79
Civil Works and Miscellaneous Public Improvements	,,	12,14,02	15,90,24	14,51,65	15,88,29
Electricity Schemes	,,	. .	. .	2,12	4,95
Miscellaneous	,,	60,22,62	60,48,85	59,15,86	75,72,75
Defence Services(*a*)	,,	1,72,23,20	2,03,96,55	2,02,95,13	2,52,70,55
Contributions and Miscellaneous Adjustments between Union and State Governments	,,	35,87,21	37,99,73	29,60,21	25,22,76
Extraordinary Items	,,	10,48,90	14,70,24	12,43,56	23,85,88
TOTAL—EXPENDITURE MET FROM REVENUE		4,63,87,35	5,45,43,32	5,33,54,85	6,68,08,96
EXCESS OF REVENUE OVER EXPENDITURE OR SURPLUS		40,45,20	. .	37,93,76	35,73,67*
TOTAL		5,04,32,55	5,45,43,32	5,71,48,61	7,03,82,63

*Including effect of Finance and Wealth Tax Acts.

(*a*) Figures shown net; the receipts shown in Statement A have been deducted from the expenditure shown in Statement B.

II.—GENERAL STATEMENT OF THE RECEIPTS

[In thousands of Rupees]

RECEIPTS	For details *vide* Statement	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
I—CONSOLIDATED FUND OF INDIA					
Revenue Surplus (as shown in Part I) . .		40,45,20	..	37,93,76	35,73,67
Capital Accounts outside the Revenue Account .	C	..	..	..	..
Permanent Debt (net) .	,,	34,50,46	1,35,53,75	1,05,89,29	1,71,99,09
Floating Debt (net) .	,,	1,23,38,00	3,55,85,00	2,70,00,00	2,75,00,00
Loans and Advances by the Central Government (net)	,,	..	..	..	..
Inter-State Settlement (net)	,,	9,88	..		..
TOTAL I—CONSOLIDATED FUND OF INDIA . .		1,98,43,54	4,91,38,75	4,13,83,05	4,82,72,76
II.—CONTINGENCY FUND OF INDIA .	C	..	..		..
III.—PUBLIC ACCOUNT					
Unfunded Debt (net) .	,,	82,99,03	89,17,94	82,75,56	98,42,41
Depreciation and other Reserve Funds (net)	,,	7,94,21	5,30,19	11,76,57	85,07
Appropriation for Reduction or Avoidance of Debt (net) . . .	,,	5,00,00	5,00,00	5,00,00	5,00,00
Other Deposits and Advances (net) . .	,,	54,40,91	72,41,76	1,00,02,17	2,01,63,82
Remittances (net) . .	,,	..	..	77,99,52	..
Transfer of Cash between England and India (net)	,,	..	..	..	..
TOTAL III—PUBLIC ACCOUNT . .	,,	1,50,34,15	1,71,89,89	2,07,33,82	3,05,91,30
TOTAL RECEIPTS .		3,48,77,69	6,63,28,64	6,21,16,87	7,88,64,06
OPENING BALANCE . .	C	32,22,95	50,10,21	—4,26,41	50,11,69
TOTAL . .		3,81,00,64	7,13,38,85	6,16,90,46	8,38,75,75

AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT

[In thousands of Rupees]

DISBURSEMENTS	For details, *vide* Statement	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
I.—CONSOLIDATED FUND OF INDIA					
Revenue Deficit (as shown in Part I) . . .		..	18,04 28	..	.
Capital Accounts not met from Revenue . .	C	1,27,35,89	3,16,74,44	3,13,68,42	5,50,57,03
Permanent Debt (net) .	,,	..	..	..	..
Floating Debt (net) .	,,	..	.	..	..
Loans and Advances by the Central Government (net)	,,	2,47,56,08	3,28,20,70	2,50,02,86	2,44,65,28
Inter-State Settlement (net)	,,		6,40	3,07,49	1,45,40
TOTAL I.—CONSOLIDATED FUND OF INDIA . .		3,74,91,97	6,63,05,82	5,66,78,77	7,96,67,71
III.—PUBLIC ACCOUNT					
Unfunded Debt (net) .	C	..	..	..	..
Depreciation and other Reserve Funds (net) .	,,	..	..	..	..
Appropriation for Reduction or Avoidance of Debt (net) . .	,,	..	..	.	..
Other Deposits and Advances (net) . .	,,	..	..	..	..
Remittances (net) . .	,,	9,02,24	18,10	..	1,03,10
Transfer of Cash between England and India (net)	,,	1,32,84	..	..	..
TOTAL III.—PUBLIC ACCOUNT . . .		10,35,08	18,10	..	1,03,10
TOTAL—DISBURSEMENTS .		3,85,27,05	6,63,23,92	5,66,78,77	7,97,70,81
CLOSING BALANCE . .	C	—4,26,41	50,14,93	50,11,69	41,04,94
TOTAL .		3,81,00,64	7,13,38,85	6,16,90,46	8,38,75,75

A.—Statement of the Revenue of the Central Government

[In thousands of Rupees]

Heads of Revenue	Accounts 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase (+) Decrease(—) as compared with Budget 1956-57	Budget Estimate, 1957-58	Increase (+) Decrease(—) as compared with Revised, 1956-57
I.—CONSOLIDATED FUND OF INDIA						
PRINCIPAL HEADS OF REVENUE						
I. Customs	1,66,69,72	1,50,00,00	1,71,00 ,00	+21,00,00	1,67,60,00	—3,40,00
II. Union Excise Duties	1,45,25,21	1,70,35,00	1,88,73,00	+18,38.00	2,55,37,00	+66.6,400
III.—Corporation Tax	37,04,32	48,24,00	48,24,00	..	50,50,00	+2,26,00
IV.—Taxes on Income other than Corporation Tax and Estate Duty	76,19,97	86,35,00	82,61,00	3,74,00	89,92,00	+7,31,00
V.—Estate Duty	—5,43	17,57	11,00	6,57	9,00	—2,00
V-A. Taxes on Wealth	..	..	..	..	12,50,00	+12,50,00
V-B. Taxes on Railway Fares and Freight	..	..	..	..	..	..
VI.—Opium	2,08,67	2,10,00	2,24,00	+14,00	2,50,00	+26,00
VII.—Land Revenue	87,61	46,28	50,83	+4,55	58,31	+7,48
VIII.—State Excise Duties	7,10	5,70	59,22	+53,52	1,39,33	+80,11
IX.—Stamps	1,69,09	1,65,20	1,95,64	+30,44	2,41,27	+45,63
X.—Forest	99,53	1,00,33	1,68,26	+67,93	2,23,42	+55,16
XI.—Registration	2,51	1,99	5,44	+3,45	8,91	+3,47
XII.—Taxes on Vehicles	5,16	5,14	13,64	+8,50	30,72	+17,08
XIII.—Other Taxes and Duties	18,50	16,90	81,95	+65,05	2,23,38	+1,41,43
TOTAL	4,31,11,96	4,60,63,11	4,98,67,98	+38,04,87	5,87,73,34	+89,05,36
IRRIGATION						
XVII.—Irrigation, Navigation, Embankment and Drainage Works (Commercial).	74	2,34	1,31	—1,03	1,50	+19
Deduct—Working Expenses	*1,52*	*2,49*	*83*	+1,66	..	+83
Net Receipts	—78	—15	48	+63	1,50	+1,02
XVIII.—Irrigation, Navigation, Embankment and Drainage Works (Non-Commercial).	27	20	16	—4	16	..
TOTAL	—51	5	64	+59	1,66	+1,02
POSTS AND TELEGRAPHS						
XIX.—Posts and Telegraphs—Gross Receipts	50,67,38	52,49,00	56,11,00	+3,62,00	62,07,50	+5,96,50
Deduct—Working Expenses	*45,02,06*	*48,32,13*	*48,32,30*	—17	*55,36,01*	—7,03,71
Net Receipts	5,65,32	4,16,87	7,78,70	+3,61,83	—6,71,49	—1,07,21
DEBT SERVICES						
XX.—Interest	2,83,88	5,48,98	5,24,22	—24,76	4,90,25	—33,97
Carried over	4,39,60,66	4,70,29,01	5,11,71,54	+41,42,53	5,99,36,74	+87,65,20

A.—Statement of the Revenue of the Central Government—*concld.*

[In thousands of Rupees]

Heads of Revenue	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate 1956-57	Increase (+) Decrease(—) as compared with Budget, 1956-57	Budget Estimate 1957-58	Increase (+) Decrease(— as compared with Revised,) 1956-57
I.—CONSOLIDATED FUND OF INDIA—(*contd.*)						
Brought forward .	4,39,60,65	4,70,29,01	5,11,71,54	+41,42,53	5,99,36,74	+87,65,20
CIVIL ADMINISTRATION—						
XXI.—Administration of Justice . .	6,64	5,92	8,69	+2,77	8,60	—9
XXII.—Jails and Convict Settlements .	25	40	61	+21	1,21	+60
XXIII.—Police . .	25,37	12,51	23,52	+11,01	23,27	—25
XXIV.—Ports and Pilotage . . .	29,67	41,30	37,56	—3,74	48,79	+11,23
XXV.—Lighthouses and Lightships . .	38,56	37,19	42,50	+5,31	43,00	+50
XXVI.—Education .	30,71	13,57	33,58	+20,01	36,21	+2,63
XXVII.—Medical .	17,16	20,58	26,50	+5,92	30,56	+4,06
XXVIII.—Public Health	20,04	8,97	20,16	+11,19	13,48	—6,68
XXIX.—Agriculture .	2,33,35	49,76	54,55	+4,79	67,57	+13,02
XXIX-A. Rural Development . . .	9	..	..	..	..	..
XXX.—Veterinary .	15,22	11,01	15,22	+4,21	19,09	+3,87
XXXI.—Co-operation .	1	2	10	+8	20	+10
XXXII.—Industries and Supplies—						
Gross Receipts . .	10,48,46	9,81,97	9,10,78	—71,19	34,52,55	+25,41,77
Deduct—						
Working Expenses .	*3,93,02*	*4,44,19*	*1,94,83*	+2,49,36	..	+1,94,83
Net Receipts . .	6,55,44	5,37,78	7,15,95	+1,78,17	34,52,55	+27,36,60
XXIII.—Aviation .	80,68	69,52	88,48	+18,96	84,01	—4,47
XXXIV.—Broadcasting	1,58,95	1,47,02	1,49,10	+2,08	1,57,48	+8,38
XXXVI.—Miscellaneous Departments . .	1,33,17	1,50,52	3,32,91	+1,82,39	3,34,82	+1,91
TOTAL . .	14,45,31	11,06,07	15,49,43	+4,43,36	43,20,84	+27,71,41
CURRENCY AND MINT—						
XXXVII.—Currency .	21,62,21	21,88,98	21,68,71	—20,27	32,93,51	+11,24,80
XXXVIII.—Mint .	1,46,44	1,78,49	2,79,05	+1,00,56	3,08,80	+29,75
TOTAL .	23,08,65	23,67,47	24,47,76	+80,29	36,02,31	+11,54,55
CIVIL WORKS, ETC.—						
XXXIX.—Civil Works.	2,61,89	2,40,18	2,67,71	+27,53	2,91,55	+23,84
XL-A.—Receipts from Multi-purpose River Schemes . . .	1,59	1,00	1,41	+41	1,59	+18
TOTAL . .	2,63,48	2,41,18	2,69,12	+27,94	2,93,14	+24,02
ELECTRICITY SCHEME —						
XLI.—Receipts from Electricity Schemes—						
Gross Receipts . .	8,55	9,74	9,06	—68	9,61	+55
Deduct—						
Working Expenses .	*6,21*	*11,49*	*8,35*	+3,14	*7,70*	+65
Net Receipts . .	2,34	—1,75	71	+2,46	1,91	+1,20
Carried over .	4,79,80,43	5,07,41,98	5,54,38,56	+46,96,58	6,81,54,94	+1,27,16,8

A.—Statement of the Revenue of the Central Government—*concld.*

[In thousands of Rupees]

Heads of Revenue	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase (+) De-Crease(—) as compared with Budget, 1956-57	Budget Estimate, 1957-58	Increase (+) De-crease(—) as compared with Revised, 1956-57
I.—CONSOLIDATED FUND OF INDIA—(*contd.*)						
Brought forward .	4,79,80,43	5,07,41,98	5,54,38,56	+46,96,58	6,81,54,94	+ 1,27,16,38
MISCELLANEOUS—						
XLIV.— Receipts in aid of Superannuation	43,32	72,16	44,59	—27,57	73,10	+ 28,51
XLV.—Stationery and Printing .	33,35	32,86	38,72	+ 5,86	36,48	—2,24
XLV-A.— Contributions from Railways .	5,80,09	6,56,72	6,03,26	— 53,46	6,67,38	+ 64,12
XLVI.— Miscellaneous	19,94,64	14,33,93	12,14,42	— 2,19,51	6,60,60	— 5,53,82
XLVI-A.—Receipts from Road and Water Transport Schemes —Gross Receipts	6,76	15,07	30,68	+ 15,61	57,05	+ 26,37
Deduct— Working Expenses . .	5,51	9,65	22,52	— 12,87	46,21	—23,69
Net Receipts .	1,25	5,42	8,16	+ 2,74	10,84	+ 2,68
TOTAL . .	26,52,65	22,01,09	19,09,15	—2,91,94	14,48,40	—4,60,75
DEFENCE SERVICES—						
XLVII.— Defence Receipts— Effective	15,83,69	14,74,05	17,35,77	+ 2,61,72	13,39,53	—3,96,24
XLVIII.— Defence Receipts— Non-effective	30,60	9,83	9,37	—46	7,72	—1,65
TOTAL	16,14,29	14,83,88	17,45,14	+2,61,26	13,47,25	—3,97,89
CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS BETWEEN UNION AND STATE GOVERNMENTS—						
L.— Miscellaneous Adjustments between Union and State Governments	6,23	..	3,63	+3,63	2,90	—73
EXTRAORDINARY ITEMS—						
LI.—Extraordinary Receipts .	83	53,30	46,24	—7,06	10,53,50	+ 10,07,26
A.—Receipts on account of Community Development Projects National Extension Service and Local Development Works .	2	..	13	+13	12'	—1
LII-B.—Civil Defence	6,80	.	..	..	...	..
LII-C.—Pre-partition Receipts .	3,60	.	.	..	..	...
TOTAL .	11,25	53,30	46,37	—6,93	10,53,62	+ 10,07,25
RAILWAY REVENUES AS PER RAILWAY BUDGET	58,11,78	75,74,35	76,08,97	+34,62	88,89,65	+ 12,80,68
TOTAL—REVENUE .	5,80,76,63	6,20,54,60	6,67,51,82	+46,97,22	8,08,96,76	+ 1,41,4494
Excess of Expenditure over Revenue or Deficit	...	18,04,28	...	...	...	...

B.—Statement of the Expenditure met from Revenue of the Central Government

(In thousands of Rupees]

Heads of Expenditure	Accounts, 1956-57	Budget Estimate, 1955-56	Revised Estimate, 1956-57	Increase (+) Decrease(—) as compared with Budget, 1956-57	Budget Estimate, 1957-58	Increase (+) Decrease(—) as compared with Revised, 1956-57
I.—CONSOLIDATED FUND OF INDIA						
DIRECT DEMANDS ON THE REVENUE—						
1.— Customs .	3,71,66	3,43,32	3,03,17	—40,15	4,02,57	+99,40
2.— Union Excise Duties . .	19,61,96	21,95,27	23,60,56	+1,65,29	24,57,13	+96,57
3.— Corporation Tax	} 3,80,92	1,01,38	1,11,07	+9,69	1,17,55	+6,48
4.— Taxes on Income other then Corportion Tax and Estate Duty .		3,34,59	3,17,23	—17,36	3,42,40	+25,17
5.— Estate Duty	...	11,12	9,44	—1,68	8,84	—60
6.— Opium .	1,55,24	1,66,63	1,64,52	—2,11	2,11,07	+46,55
7.— Land Revenue	28,22	33,83	26,75	—7,08	35,83	+9,08
8.— State Excise Duties	1,64	1,18	22,15	+20,97	45,57	+23,42
9.— Stamps . .	1,61,11	1,50,52	1,55,31	+4,79	1,69,77	+14,46
10.— Forest . .	1,67,69	3,74,76	2,97,51	—77,25	3,56,63	+59,12
11.— Registration	90	1,03	1,67	+64	1,76	+9
12.— Taxes on Vehicles	16	33	16,66	+16,33	20,34	+3,68
13.— Other Taxes and Duties .	80	92	5,59	+4,67	10,47	+4,88
TOTAL . .	32,30,30	37,14,88	37,91,63	+76,75	41,79,93	+3,88,30
REVENUE ACCOUNT OF IRRIGATION WORKS—						
17.— Irrigation, Navigation, Embankment and Drainage Works (Commercial)	..	..	..		.	...
18.— Irrigation, Navigation, Embankment and Drainage Works Non-Commercial)	1,66	4,76	7,65	+2,89	10,21	+2,56
TOTAL .	1,66	4,76	7,65	+2,89	10,21	+2,56
CAPITAL ACCOUNTS OF IRRIGATION, ETC WORKS MET FROM REVENUE—						
19.— Construction of Irrigation Works financed from Ordinary Revenues .	4,00	.	..	...	...	...
POSTS AND TELEGRAPHS REVENUE ACCOUNT—						
20.— Posts and Telegraphs— Interest on Debt . . .	2,18,01	2,57,33	2,49,10	—8,23	2,77,23	+28,13
Carried over . .	34,53,97	39,76,97	40,48,38	+71,41	44,67,37	+4,18,99

B.—Statement of the Expenditure met from Revenue of the Central Government—*concld.*

[In thousands of Rupees]

Heads of Expenditure	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase (+) Decrease(—) as compared with Budget, 1956-57	Budget Estimate, 1957-58	Increase (+) Decrease(—) as compared with Revised, 1956-57
I.—CONSOLIDATED FUND OF INDIA—(*contd.*)						
Brought forward	34,53,97	39,76,97	40,48,38	+71,41	44,67,37	+4,18,99
DEBT SERVICES—						
22.—Interest on Debt and other Obligations.	*91,02,73*	*1,03,55,94*	*1,01,76,39*	—1,79,55	*1,14,33,05*	+12,56,66
Deduct—Interest transferred to—						
Railways	*30,31,17*	*33,09,72*	*31,65,89*	+1,43,83	*37,11,35*	—5,45,46
Irrigation	*91*	*90*	*90*	..	*90*	..
Posts and Telegraphs	*2,20,53*	*2,58,12*	*2,50,29*	+7,83	*2,76,54*	—26,25
State Governments	*17,88,51*	*33,85,93*	*30,87,50*	+2,98,43	*40,97,67*	—101,0,17
Commuted Value of Pensions	*25,25*	*23,54*	*23,98*	—44	*22,44*	+1,54
Other heads	*2,21,49*	*3,27,73*	*3,26,66*	+1,07	*3,24,15*	+2,51
TOTAL TRANSFERS	*52,88,46*	*73,05,94*	*68,55,22*	+4,50,72	*84,33,05*	—15,77,83
Net	38,14,27	30,50,00	33,21,17	+2,71,17	30,00,00	—3,21,17
23.—Appropriation for Reduction or Avoidance of Debt	5,00,00	5,00,00	5,00,00	..	5,00,00	..
TOTAL	43,14,27	35,50,00	38,21,17	+2,71,17	35,00,00	—3,21,17
CIVIL ADMINISTRATION						
25.—General Administration	12,70,16	14,28,32	14,41,64	+13,32	15,67,46	+1,25,82
26.—Audit	5,44,57	6,04,12	6,17,43	+13,31	6,61,84	+44,41
27.—Administration of Justice	20,64	22,20	30,62	+8,42	38,64	+8,02
28.—Jails and Convict Settlements	3,98	4,51	8,85	+4,34	13,30	+4,45
29.—Police	4,16,59	5,38,36	6,01,05	+62,69	7,95,10	+1,94,05
30.—Ports and Pilotage	89,52	1,14,51	95,51	—19,00	1,05,28	+9,77
31.—Lighthouses and Lightships	35,49	37 19	42,50	+5,31	43,00	+50
34.—Tribal Areas	5,00,79	6,11,21	5,05,79	—1,05,42	5,40,02	+34,23
35.—External Affairs	5,99,22	6,31,36	7,24,58	+93,22	7,12,83	—11,75
36.—Scientific Departments	8,92,01	14,59,21	12,27,09	—2,32,12	16,42,93	+4,15,84
37.—Education	14,23,28	21,62,00	21,95,58	+33,58	29,12,41	+7,16,83
38.—Medical	1,46,04	4,15,96	3,71,79	—44,17	5,01,02	+1,29,23
39.—Public Health	2,35,61	5,29,07	4,45,23	—83,84	5,77,91	+1,32,68
40.—Agriculture	6,56,59	12,60,55	9,50,76	—3,09,79	13,51,12	+4,00,36
40A.—Rural Development	29,66	52,60	51,96	—64	75,25	+23,29
41.—Veterinary	51,04	1,22,62	1,23,32	+70	1,50,31	+26,99
42.—Co-operation	5,98	1,03,30	1,09,74	+6,44	1,55,91	+46,17
43.—Industries and Supplies	13,75,82	18,10,78	21,61,56	+3,50,78	53,16,25	+3,154,69
44.—Aviation	2,53,25	2,92,83	3,13,35	+20,52	3,05,22	—8,13
45.—Broadcasting	2,68,37	3,07,25	3,07,07	—18	3,58,39	+51,32
47.—Miscellaneous Departments	5,88,90	10,83,57	10,38,76	—44,81	12,77,66	+2,38,90
TOTAL	94,07,51	1,35,91,52	1,33,64,18	—2,27,34	1,91,01,85	+57,37,67
Carried over	1,71,75,75	2,11,18,49	2,12,33,73	+1,15,24	2,70,69,22	+58,35,49

B.—Statement of the Expenditure met from Revenue of the Central Government—*contd.*

[In thousands of Rupees]

Heads of Expenditure	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase (+) Decrease(—) as compred with Budget, 1956-57	Budget Estimate, 1957-58	Increase (+) Decrease(—) as compared with Revised, 1956-57
I.—CONSOLIDATED FUND OF INDIA—(*contd.*)						
Brought forward	1,71,75,75	2,11,18,49	212,33,73	+1,15,24	2,70,69,22	+58,35,49
CURRENCY AND MINT—						
48.—Currency	2,32,22	2,43,06	2,61,56	+18,50	3,59,71	+98,15
49.—Mint	1,01,44	1,33,49	2,40,13	+1,06,64	3,12,08	+71,95
TOTAL	3,33,66	3,76,55	5,01,69	+1,25,14	6,71,79	+1,70,10
CIVIL WORKS, ETC.—						
50.—Civil Works	11,65,95	14,96,78	13,83,00	—1,13,78	14,97,71	+1,14,71
51.—B.—Other Revenue Expenditure connected with Multi-purpose River Schemes	48,07	93,46	68,65	—24,81	90,58	+21,93
TOTAL	12,14,02	15,90,24	14,51,65	—1,38,59	15,88,29	+1,36,64
ELECTRICITY SCHEMES—						
52-A.—Other Revenue Expenditure connected with Electricity Schemes	..	.	2,12	+2,12	4,95	+2,83
CAPITAL ACCOUNT OF ELECTRICITY SCHEMES WITHIN REVENUE ACCOUNT—						
53.—Capital Outlay on Electricity Schemes	..	..	..	..	..	..
TOTAL	..	..	2,12	+2,12	4,95	+2,83
MISCELLANEOUS—						
54.—Famine	13	5	4,71	+4,66	25	—4,46
54-A.—Territorial and Political Pensions	26,07	31,71	31,37	—34	27,95	—3,42
54-B.—Privy Purses and Allowances of Indian Rulers	5,29,59	5,32,66	5,35,37	+2,71	5,54,48	+19,11
55.—Superannuation Allowances and Pensions	3,41,55	3,18,89	3,30,89	+12,00	3,35,11	+4,22
56.—Stationery and Printing	2,43,29	2,27,02	1,85,03	—41,99	2,70,36	+85,33
57.—Miscellaneous	48,81,99	49,38,52	48,28,49	—1,10,03	63,84,60	+15,56,11
TOTAL	60,22,62	60,48,85	59,15,86	—1,32,99	75,72,75	+16,56,89
DEFENCE SERVICE—						
58.—Defence Services Effective—Army	1,31,89,68	1,42,52,74	1,50,15,77	+7,63,03	1,66,56,61	+16,40,84
59.—Defence Services Effective—Navy	12,01,80	14,27,47	13,44,51	—82,96	15,97,81	+2,53,30
60.—Defence Services Effective—Air Force	30,05,64	48,16,99	42,96,76	—5,02,23	69,81,49	+26,84,73
60-A.—Defence Services-Non-Effective	14,40,37	13,83,23	13,83,23	..	13,81,89	—1,34
TOTAL	1,88,37,49	2,18,80,43	2,20,40,27	+1,59,84	2,66,17,80	+45,77,53
Carried over	4,35,83,54	5,10,14,56	5,11,45,32	+1,30,76	6,35,24,80	+1,23,79,48

B.—Statement of the Expenditure met from Revenue of the Central Government—*contd.*

[In thousands of Rupees]

Heads of Expenditure	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase (+) Decrease(—) as compared with Budget, 1956-57	Budget Estimate, 1957-58	Increase (+) Decrease(—) as compared with Revised, 1956-57
I.—CONSOLIDATED FUND OF INDIA—(*contd.*)						
Brought forward	4,35,83,54	5,10,14,56	5,11,45,32	+1,30,76	6,35,24,80	+1,2379,48
CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS BETWEEN UNION AND STATE GOVERNMENTS						
61.—Grants-in-aid to States	35,80,26	37,95,00	29,53,48	—8,41,52	25,16,66	—4,36,82
62.—Miscellaneous Adjustments between Union and State Governments	6,95	4,73	6,73	+2,00	6,10	—63
TOTAL	35,87,21	37,99,73	29,60,21	—8,39,52	25,22,76	—4,37,45
EXTRAORDINARY ITEMS—						
63. Extraordinary Charges	..	..	..	..	10,00,00	+10,00,00
63-B.—Community Development Projects, National Extension Service and Local Development Works	9,69,50	13,63,08	11,14,60	—2,48,48	13,14,88	+2,00,28
64B.—Civil Defence	1,06	1,12	99	—13	1,00	+1
64.—C.—Pre-partition Payments	78,34	1,06,04	1,27,97	+21,93	70,00	—57,97
TOTAL	10,48,90	14,70,24	12,43,56	—2,26,68	23,85,88	+11,42,32
RAILWAY EXPENDITURE AS PER RAILWAY BUDGET	58,11,78	75,74,35	76,08,97	+34,62	88,89,65	+12,80,68
TOTAL—EXPENDITURE MET FROM REVENUE	5,40,31,43	6,38,58,88	6,29,58,06	—9,00,82	7,73,23,09	+1,43,65,03
Excess of Revenue over Expenditure or Surplus	40,45,20	..	37,93,76	..	35,73,67	..

C.—Statement of the Receipts and Disbursements of the Central Government

[In thousands of Rupees]

RECEIPTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
I.—CONSOLIDATED FUND OF INDIA				
Excess of Revenue over Expenditure (from Statement B)	40,45,20	..	37,93,76	35,73,67
CAPITAL ACCOUNTS OUTSIDE THE REVENUE ACCOUNT—				
LIV.—Sale proceeds of American and Lease-Lend Surpluses . .	..	..	..	..
PUBLIC DEBT—				
A.—Debt raised in India—				
I.—PERMANENT DEBT—				
New Loan	..	1,00,00,00	..	1,00,00,00
3 per cent Bonds, 1962	..	..	57,27,17	..
3½ per cent National Plan Bonds, 1967 (Third Series)	..	..	33,82,16	..
3¾ per cent Loan, 1974	..	..	66,64,15	..
15-Year Annuity Certificates . .	45,25	60,00	46,50	80,00
Other Loans	1,03,67,92			..
TOTAL . .	1,04,13,17	1,00,60,00	1,58,19,98	1,00,80,00
II.—FLOATING DEBT—				
Treasury Bills	20,49,59,25	33,22,84,00	27,68,13,00	37,35,00,00
Other Floating Loans	..	.	..	..
TOTAL . .	20,49,59,25	33,22,84,00	27,68,13,00	37,35,00,00
B.—Debt raised in England—				
Permanent Debt	..	.		..
C.—Other Debt	2,66,63	39,50,00	31,50,00	1,09,93,00
TOTAL—PUBLIC DEBT . .	21,56,39,05	34,62,94,00	29,57,82,98	39,45,73,00
LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT—				
Advances to State Governments .	25,21,97	27,26,05	35,38,27	44,11,74
Other Loans and Advances . .	8,10,39	14,79,12	11,33,03	11,79,70
TOTAL . .	33,32,36	42,05,17	46,71,30	55,91,44
INTER STATE SETTLEMENT—				
India and Pakistan . . .	..	.	..	..
India and Burma	78,22	..	..	..
India and France	..	..	..	..
Centre and Rajasthan . . .	..	..	..	..
Centre and Mysore . . .	..	..	..	..
Centre and Kerala . . .	..	..	..	..
Centre and Hyderabad . .	..	..	..	..
TOTAL .	78,22	..	..	..
TOTAL—I.—CONSOLIDATED FUND OF INDIA—RECEIPTS .	22,30,94,83	35,04,99,17	30,42,48,04	40,37,38,11

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
I.—CONSOLIDATED FUND OF INDIA—*contd.*				
Excess of Expenditure over Revenue (from Statement A) . . .	..	18,04,28	..	..
CAPITAL ACCOUNTS; NOT MET FROM REVENUE—				
Railway Capital (as shown in Railway Budget) . . .	67,51,76	1,13,42,88	1,03,80,71	1,24,17,10
Posts & Telegraphs . . .	9,03,25	9,74,73	9,84,80	9,85,00
Forest	11,64	33,28	17,59	18,31
Security Printing Press . .	51	4,85	2,10	7,61
Irrigation	11,80	17,50	20,14	17,22
Agricultural Improvement and Research	32,27	3,25,90	3,21,98	2,41,89
Industrial Development . .	11,06,88	79,60,52	79,90,84	1,85,92,38
Civil Aviation	1,95,07	3,37,25	3,18,25	2,87,61
Broadcasting	1,16,49	1,55,00	1,40,00	1,65,00
Ports	3,95,95	5,76,55	5,41,04	5,29,02
Currency and Coinage . .	8,47,16	78,64	1,09,34	2,85
Mint	27,68	37,52	31,20	72,00
Delhi Capital Outlay . . .	5,33,00	10,06,60	7,94,19	7,38,42
Multi-purpose River schemes .	2,86,47	2,37,11	2,37,11	3,71,57
Civil Works	19,21,68	18,23,70	18,02,73	11,36,58
Capital Outlay on Electricity Schemes	18,02	76,67	54,91	37,50
Capital Outlay on Other Works .	..	..	..	3,52,00
Road and Water Transport Schemes	1,14	4,50	7,39	13,00
Capital Outlay on Shipping, Tankers, etc.	..	1,35,00	20,00	1,63,75
Payments of Commuted Value of Pensions	—42,02	—19,01	—31,27	—31,35
Capital Outlay on Sterling Pensions	—8,58,86	—8,81,76	—9,01,22	—8,85,24
Compensation to Displaced Persons	3,68,24	26,23,72	21,18,54	19,70,54
Payments to Retrenched Personnel	—1,49	2,90	—86	—40
Transfer of Sale proceeds of American Commodities . .	..	..	..	95,30,00
Defence Capital Outlay . .	17,59,16	26,30,00	21,35,67	23,54,50
Schemes of Government Trading	—29,58,81	9,51,35	29,95,26	49,35,27
Capital Outlay on Development Grants	13,08,90	12,39,04	12,77,98	10,14,90
TOTAL . .	1,27,35,89	3,16,74,44	3,13,68,42	5,50,57,03
PUBLIC DEBT—				
A.—Debts raised in India—				
I.—PERMANENT DEBT—				
15-Year Annuity Certificates .	3,77	11,00	6,50	10,00
Other Loans	69,04,35	57,33	80,05,	31,75,00
CARRIED OVER . . .	69,08,12	68,33	80,11,50	31,85,00
CARRIED OVER . . .	1,27,35,89	3,34,78,72	3,13,68,42	5,50,57,03

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
I.—CONSOLIDATED FUND OF INDIA—*concld.*				
Brought forward	1,27,35,89	3,34,78,72	3,13,68,42	5,50,57,03
Brought forward	69,08,12	68,33	80,11,50	31,85,00
II.—FLOATING DEBT—				
Treasury Bills	19,26,21,25	29,66,99,00	24,98,13,00	34,60,00,00
Other Floating Loans . .	...	...	...	...
TOTAL . .	19,26,21,25	29,66,99,00	24,98,13,00	34,60,00,00
B.—Debt raised in England				
PERMANENT DEBT—				
India Stocks . . . . / Railway Debenture Stocks . .	5,23	3,38	3,59	2,58
State Railway Annuities . .	1,19,43	91,29	91,29	59,02
TOTAL .	1,24,66	94,67	94,88	61,60
C.—Other Debt	1,96,56	2,93,25	2,74,31	6,27,31
TOTAL—PUBLIC DEBT .	19,98,50,59	29,71,55,25	25,81,93,69	34,98,73,91
LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT—				
Advances to State Governments .	2,48,87,15	2,74,25,71	2,32,75,99	2,33,36,71*
Other Loans and Advances .	32,01,29	96,00,16	63,98,17	67,20,01
TOTAL . .	2,80,88,44	3,70,25,87	2,96,74,16	3,00,56,72
INTER STATE SETTLEMENT—				
India and Pakistan . . .		..	...	..
India and Burma . . .	.	..	...	...
India and France . .	20,94	40	39	40
Centre and Rajasthan . .	2,40	...	...	...
Centre and Mysore . .	45,00	...	...	1,45,00
Centre and Kerala . .	..	6,00	6,00	...
Centre and Hyderabad . .	...	...	3,01,10	...
TOTAL .	68,34	6,40	3,07,49	1,45,40
TOTAL—I.—CONSOLIDATED FUND OF INDIA—DISBURSEMENTS	24,07,43,26	36,76,66,24	31,95,43,76	43,51,33,06

*For the reasons explained in para 66 of the Budget Speech, this figure is less by Rs. 15 crores from the net amount appearing in the Demand for "Loans and Advances by the Central Government" for Loans to State Governments.

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
II.—CONTINGENCY FUND OF INDIA—				
CONTINGENCY FUND OF INDIA—				
Appropriations from the Consolidated Fund or from any Reserve Fund	...			..
TOTAL—II.—CONTINGENCY FUND OF INDIA—RECEIPTS	...	...	...	...

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
III.—PUBLIC ACCOUNT—				
UNFUNDED DEBT—				
Deposits of Service Funds	2,77	2,79	2,72	2,64
Post Office Savings Bank Deposits	1,57,42,07	1,66,20,00	1,80,40,00	1,96,35,00
Defence Savings Bank Deposits .		..	.	
Post Office Cash Certificates .	—2,95	.	.	
Defence Savings Certificates	—68	.	.	
National Savings Certificates	29,17,12	34,10,00	32,83,00	37,70,00
State Provident Funds	37,05,46	36,61,82	38,30,99	39,20,25
Other Accounts .	2,41,30	2,38,98	2,59,23	2,62,22
Ten-Year Treasury Savings Deposit Certificates	4,81,30	6,00,00	4,00,00	5,30,00
Ten-Year National Plan Certificates	9,86,32	12,50,00	10,54,00	12,50,00
TOTAL . .	2,40,72,71	2,57,83,59	2,68,69,94	2,93,70,11
DEPOSITS AND ADVANCES—				
Depreciation and other Reserve Funds				
(a) *Interest bearing*—				
Railway Depreciation and Revenue Reserve Funds as per Railway Budget	57,39,44	50,30,27	49,61,17	50,67,66
Railway Development Fund as shown in Railway Budget	7,56,69	23,27,18	27,49,46	31,50,62
P.& T. Renewals Reserve Fund	1,35,00	1,43,44	1,44,60	2,72,91
Telephone Development Fund	71,57	73,53	67,00	65,00
Other Reserve Funds	33,41	44,34	54,56	53,08
(b) *Non-interest bearing*—				
Other Reserve Funds	21,21	19,59	19,51	19,30
Appropriation for Reduction or Avoidance of Debt	5,00,00	5,00,00	5,00,00	5,00,00
Other Deposits and Advances—				
(a) *Interest-bearing*—				
Optional Deposits of Excess Profits Tax under the Indian Finance Act, 1942 .	—2	..	...	..
Compulsory Deposits of Excess Profits Tax under Ordinance No. XVI of 1943	28,69	15,00	15,00	10,00
Anticipatory Deposits made after provisional assessment of Excess Profits Tax	—0,48	..	.	..
Deposits towards payment of Excess Profits Tax	10	..		.
Deposits towards payment of Income Tax	6,98	20,00	20,00	15,00
Advance payment of Tax under Section 18-A of the Income Tax Act . .	—6,39,12	..	...	.
Deposits under Section 10(2B) of the Indian Income Tax Act .		..	.	30,00,00
Deposits of Trusts for Indian Princes	5,54	5,37	5,37	5,20
Other Deposits	30	...	..	.
Carried over . . .	66,50,31	81,78,72	85,36,67	1,21,58,77
Carried over . . .	2,40,72,71	2,57,83,59	2,68,69,94	2,93,70,11

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
III.—PUBLIC ACCOUNT—*contd.*				
Brought forward	2,40,72,71	2,57,83,59	2,68,69,94	2,93,70,11
Brought forward	66,50,31	81,78,72	85,36,67	1,21,58,77
(*b*) *Non-interest bearing*—				
Silver Redemption Reserve	..	..	..	..
Central Road Fund	5,26,33	6,55,86	4,88,90	4,81,45
Kutch Benevolent Fund	50	50	13	..
Fund for the Benefit of Cotton-growers	8,47	41,00	25,50	..
Cotton Textiles Fund	2	..	..	8,23
Sugar (Temporary)Excise Fund	164	4,25	426	84
Reserve Fund for Protection of Sugar Industry.	15	..	..	..
Fund for Relief of Groundnut Cultivators.	3	9	5	12
Fund for Relief of Linseed Cultivators	..	..	..	..
Fund for Development of Hand-loom and Khadi Industies	8,98,14	8,43,00	13,78,00	8,94,00
Special Development Fund—				
Fund from the sale proceeds of American Loan Wheat.	2,40,27	..	..	..
Fund from the sale proceeds of Wheat received under the Colombo Plan.	..	..	..	..
Fund from other Assistance under the Colombo Plan	9,36,64	8,88,00	5,97,00	7,06,00
Fund from Assistance under the Indo-U.S. Technical Co-operation Agreement	28,59,10	37,40,00	28,81,100	22,15,00
Fund from the sale proceeds of American Loan Commodities	..	..	..	40,30,00
Fund for Assistance from Norway for Fisheries Community Development.	13,62	6,00	6,00	46,00
Fund from the sale proceeds of commodities received under P.L. 480	..	..	..	65,00,00
Coal Mines Labour Housing and Genral Welfare Fund	1,40,64	1,25,37	1,29,00	1,31,03
Mica Mines Labour Welfare Fund	19,39	15,00	17,00	17,00
Coal Production Fund	6	1	29	1,35,39
Fund for payment of Bonus to Temporary Clerical Personnel under the Unified Scale of Pay	..	..	..	..
Iron and Steel Equalisation Fund	..	..	..	27,91,70
Workmen's Benefit Fund	..	..	..	..
P.O. Certificate Bonus Fund	5,64,05	8,66,90	5,29,33	4,70,44
Deposits of Local Funds	3,81,00	5,03,93	5,15,13	4,02,89
Civil Deposits	1,60,73,78	1,69,00,15	1,67,80,38	1.62,00,41
Other Deposits	55,13,86	53,82,37	56,63,98	54,48,92
Carried over	3,48,28,00	3,81,51,15	3,75,52,62	5,26,64,19
Carried over	2,40,72,71	2,57,83,59	2,68,69,94	2,93,70,11

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1955-56	Budget Esimate, 1956-57	Reivsed Estimate 1956-57	Budget Estimate, 1957-58
III.—PUBLIC ACCOUNT—*contd.*				
Brought forward	2,40,72,71	2.57,83,59	2,68,69,94	2,93,70,11
Brought forward	3,48,28,00	3,81,51,15	3,75,52,62	5,26,64,19
Account of payment in respect of provisional assessment of Excess Profits Tax.	—48	..	18,00	..
Deposit account of refundable Excess Profits Tax.	87,31	10.00	5,00	5,00
Deposit account of refundable Central Income-Tax Surcharge	3	..	..	..
Deposit account of interest on Excess Profits Tax-Deposits.	..	5,70	3,15	3,00
Deferred Pay to Indian Troops	..	1,33,35	1,31,80	1,40,60
Post-war Reconstruction Fund	..	..	..	..
Other Accounts	8,76,55	16,07,83	7,05,52	1,00,73
Accounts with the Government of Burma	8,12	25,20	1,45	5,95
Accounts with the Reserve Bank	12,07	1,18,57	1,04,37	94,55
Other Advances	98,85,88	93,09,61	1,13,85,26	1,08,42,93
Value of One-rupee Notes issued	5,00,00	5,00,00	5,00,00	5,00,00
Purchases and Sales of Silver(net)	..	..	..	..
Sales of lease-lend Silver (net)	..	..	..	..
Cash Balance Investment Account (net)	20,45,50	..	10,00	..
Profits on circulation of nickel, bronze and copper coins (net)	..	..	..	..
Discount Sinking Fund	1,17,05	1,28,63	1,28,81	1,58,89
Bonus on Loans	..	..	..	..
Other Suspense Accounts (net)	..	34,37,54	85,99,70	73,57,81
Cheques and Bills (net)	1,66,70	1,50,48	6,17,14	5,66,08
Departmental and Similar Accounts (net)	16,15	1,36,88	8,72,90	6,88,36
Miscellaneous	1,80,12	1,13,00	2,72,42	1,58,16
TOTAL	4,87,23,00	5,38,27,94	6,09,08,14	7,32,86,25
Carried Over	7,27,95,71	7,96,11,53	8,77,78,08	10,26,56,36

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

RECEIPTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
III.—PUBLIC ACCOUNT—*concld.*				
Brought forward . . .	7,27,95,71	7,96,11,53	8,77,78,08	10,26,56,36
REMITTANCES—				
I.—REMITTANCES WITHIN INDIA—				
Inland Money Orders . .	2,34,16,32	2,43,00,00	2,50,00,00	2,65,50,00
Other Remittances . . .	1,40,14	3,76,15	13,80,50	4,10,40
Accounts between Civil and other Departments—				
Exchange Accounts between Civil and Posts and Telegraphs	42,09,97	44,90,25	37,65,95	50,74,93
Exchange Accounts between Civil and Defence Services .	1,60,21,72	1,82,57,72	1,72,73,34	1,88,87,34
II.—REMITTANCES BETWEEN ENGLAND AND INDIA—				
Remittance Account between England and India—				
Purchases and Sales of Silver .	..	..	..	..
Other Transactions . .	70,47,27	76,43,83	1,52,54,02	1,31,37,13
TOTAL .	5,08,35,42	5,50,67,95	6,26,73,81	6,40,59,80
TRANSFER OF CAHH BETWEEN ENGLAND AND INDIA—				
Remittances through the Reserve Bank	1,15,09,95	84,21,77	1,54,51,50	1,77,88,22
RESERVE BANK DEPOSITS—Railways	..	—92,81,42	—75,39,55	—1,08,39,29
TOTAL III—PUBLIC ACCOUNT RECEIPTS	13,51,41,08	13,38,19,83	15,83,63,84	17,36,65,09
TOTAL—(I+II+III)	35,82,35,91	48,43,19,00	46,26,11,88	57,74,03,20
OPENING BALANCE	32,22,95	50,10,21	—4,26,41	50,11,69
GRAND TOTAL	36,14,58,86	48,93,29,21	46,21,85,47	58,24,14,89

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
III.—PUBLIC ACCOUNT—				
UNFUNDED DEBT—				
Special Loans	34	53	34	34
Deposits of Service Funds	8,33	4,62	4,40	4,40
Post Office Savings Bank Deposits	1,22,32,99	1,32,20,00	1,47,40,00	1,55,35,00
Defence Savings Bank Deposits	..	..	..	..
Post Office Cash Certificates	1,23,59	1,10,00	82,50	66,00
Defence Savings Certificates	5,29	5,00	2,50	4,00
National Savings Certificates	9,89,66	13,50,00	13,08,00	14,00,00
State Provident Fund	20,86,50	18,27,40	20,83,93	20,84,20
Other Accounts	1,65,93	1,48,10	1,88,71	1,83,76
Ten-year Treasury Savings Deposit Certificates	74,95	1,00,00	80,00	1,00,00
Ten-Year National Plan Certificates	86,10	1,00,00	1,04,00	1,50,00
TOTAL	1,57,73,68	1,68,65,65	1,85,94,38	1,95,27,70
DEPOSITS AND ADVANCES—				
Depreciation and Other Reserve Funds—				
(a) *Interest bearing*—				
Railway Depreciation and Revenue Reserve Funds as per Railway Budget	45,89,88	45,42,07	45,79,53	49,59,37
Railway Development Fund as per Railway Budget	12,13,81	22,16,71	19,46,04	32,36,96
P. & T. Renewals Reserve Fund	98,54	1,25,00	1,15,00	1,15,00
Telephone Development Fund	27,50	65,00	40,00	75,00
Other Reserve Funds	16,57	1,39,01	1,20,45	1,37,66
(b) *Non-interest bearing*—				
Other Reserve Funds	16,81	20,37	18,71	19,51
Appropriation for Reduction or Avoidance of Debt—Sinking Funds	..	..	..	..
OTHER DEPOSITS AND ADVANCES—				
(a) *Interest bearing*—				
Optional Deposits of Excess Profits Tax under the Indian Finance Act, 1942	1,43	..	..	..
Compulsory Deposits of Excess Profits Tax under Ordinance No. XVI of 1943	70,31	27,00	27,00	21,00
Anticipatory Deposits made after provisional assessment of Excess Profits Tax	1,99	1,00	1,00	50
Carried over	60,36,84	71,36,16	68,47,73	85,65,00
Carried over	1,57,73,68	1,68,65,65	1,85,94,38	1,95,27,70

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
III.—PUBLIC ACCOUNT—*contd.*				
Brought forward	1,57,73,68	1,68,65,65	1,85,94,38	1,95,27,70
Brought forward	60,36,84	71,36,16	68,47,73	85,65,00
Deposits towards payment of Excess Profits Tax	—98	..	..	..
Deposits towards payment of Income Tax	7,72	30,00	25,00	25,00
Deposits towards payment of Super-tax	..	..	..	..
Advance payment of Tax under Section 18A of the Income Tax Act	- 6,14,06	10,00	10,00	10,00
Deposits under Section 10 (2B) of the Indian Income Tax Act	..	..	..	15,00,00
Deposits of Trusts for Indian Princes	7,37	22,11	22,11	22,11
(*b*) *Non-interest bearing*—				
Silver Redemption Reserve	..	..	..	..
Central Road Fund	4,96,36	6,68,51	6,55,56	6,32,22
Kutch Benevolent Fund	23	50	13	..
Fund for the Benefit of Cotton growers	2,04,97	63,51	55,32	54,00
Cotton Textiles Fund	10,23	30,64	30,75	29,78
Sugar (Temporary) Excise Fund	39,35	1,27,55	72,66	26,36
Reserve Fund for Protection of Sugar Industry	7	..	..	..
Fund for Relief of Groundnut Cultivators	47	3	5	7
Fund for Relief of Linseed Cultivators	21	35	36	17
Fund for Development of Handloom and Khadi Industries	11,21,84	10,65,00	16,68,00	8,94,00
Special Development Fund—				
Fund from the sale proceeds of American Loan Wheat	..	..	..	.
Fund from the sale proceeds of Wheat received under the Colombo Plan	..	..	..	..
Fund from other Assistance under the Colombo Plan	4,85,40	5,36,16	6,37,00	7,07,00
Fund from Assistance under the Indo-U.S.Technical Co-operation Agreement.	11,76,28	22,02,96	21,63,00	21,30,00
Fund from the sale proceeds of American Loan Commodities	..	..	.	.
Fund for Assistance from Norway for Fisheries Community Development	13,62	6,00	6,00	46,00
Fund from the sale proceeds of Commodities received under P.L.480	..	..	..	15,00,00
Coal Mines Labour Housing and General Welfare Fund	66,82	1,47,41	1,20,87	2,41,13
Mica Mines Labour Welfare Fund	10,02	31,04	21,30	35,75
Coal Production Fund	..	..	..	2,35,63
Fund for payment of Bonus to Temporary Clerical Personnel under the Unified Scale of Pay	..	..	..	..
Iron and Steel Equalisation Fund	..	..	..	27,90,58
Workmen's Benefit Fund	..	60	6	54
P.O. Certificate Bonus Fund	31,33	28,91	35,60	40,77
Deposits of Local Funds	3,55,70	4,85,19	5,46,17	3,92,16
Civil Deposits	1,64,13,31	1,68,18,37	1,69,72,06	1,62,52,70
Other Deposits	52,56,35	47,56,26	49,70,09	48,53,19
Carried over	3,11,19,45	3,41,67,26	3,48,59,82	4,09,84,16
Carried over	1,57,73,68	1,68,65,65	1,85,94,38	1,95,27,70

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
III.—PUBLIC ACCOUNT—*contd.*				
Brought forward	1,57,73,68	1,68,65,65	1,85,94,38	1,95,27,70
Brought forward	3,11,19,45	3,41,67,26	3,48,59,82	4,09,84,16
Account of payment in respect of provisional assessment of Excess Porfits Tax	7,74	10,00	28,00	5,00
Deposit account of refundable Excess Profits Tax	1,32,34	62,00	62,00	11,00
Deposit account of refundable Central Income-tax Surcharge	3	...	...	...
Deposit account of interest on Excess Profits Tax Deposits	2	1,20	2,50	1,50
Deferred Pay to Indian Troops	...	50,00	72,00	72,00
Post -War Reconstruction Fund	...	...	1,00	3,00
Other Accounts	8,41,03	15,84,08	8,71,95	98,59
Account with the Government of Burma	1,64	26,75	5,85	5,85
Accounts with the Reserve Bank	4	97,37	95,46	90,09
Other Advances	89,03,30	92,73,65	1,25,34,50	1,09,37,84
Value of One-rupee Notes issued	...	...	...	...
Purchases and Sales of Silver (net)	1,26,67	...	...	...
Sales of Lease-Lend Silver (net)	...	...	...	...
Cash Balance Investment Account (net)	...	...	...	...
Profits on circulation of nickel, bronze and copper coints (net)	1,35,43	1,70,51	1,50,00	1,70,00
Discount Sinking Fund	1,66,83	...	2,50,14	...
Bonus on Loans	9	...	...	...
Other Suspense Accounts (net)	3,92,39	...	...	...
Cheques and Bills (net)	...	...	...	...
Departmental and Similar Accounts (net)	...	...	...	...
Miscellaneous	1,60,88	1,13,17	2,96,18	1,58,33
TOTAL	4,19,87,88	4,55,55,99	4,92,29,40	5,25,37,36
Carried over	5,77,61,56	6,24,21,64	6,78,23,78	7,20,65,06

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

[In thousands of Rupees]

DISBURSEMENTS	Accounts, 1955-56	Budget Esitmate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
III.— PUBLIC ACCOUNT— *concld.* Brought forward . .	5,77.61,56	6,24,21,64	6,78,23,78	7,20,65,06
REMITTANCES—				
I.— REMITTANCES WITHIN INDIA—				
Inland Money Orders .	2,33,71,15	2,43,10,00	2,52,00,00	2,66,00,00
Other Remittances . . .	9,77,40	3,84,25	4,00,98	4,63,50
Accounts between Civil and other Departments— . . .				
Exchange Accounts between Civil and Posts and Telegraphs	41,95,22	44,90,25	37,65,95	50,74,93
Exchange Accounts between Civil and Defence Services .	1,59,22,72	1,82,57,72	1,72,73,34	1,88,87,34
II.— REMITTANCE BETWEEN ENGLAND AND INDIA				
Remittance Account between England and India—				
Purchases and Sales of Silver .	...	...	...	...
Other Transactions . . .	72,71,17	76.43,83	1,52,54,02	1,31,37,13
TOTAL . . .	5,17,37,66	5,50,86,05	6,18,94,29	6,41,62,90
TRANSFER OF CASH BETWEEN ENGLAND ND INDIA—				
Remittances through the Reserve Bank	1,16,42,79	84,21,77	1 54.51,50	1,77,88,22
RESERVE BANK DEPOSITS—				
RAILWAYS	...	—92,81,42	— 75,39,55	— 1,08,39,29
TOTAL III— PUBLIC ACCOUNT DISBURSEMENTS . . .	12,11,42,01	11,66,48,04	13,76,30,02	14,31,76,89
TOTAL— (I + III)	36,18,85,27	48,43,14,28	45,71,73,78	57,83,09,95
Closing Balance	— 4,26,41	50,14,93	50,11,69	41,04,94
GRAND TOTAL .	36,14,58,86	48,93,29,21	46 21,85,47	58,24,14,89

GOVERNMENT OF INDIA

BUDGET

of the

Railawy Revenue and Expenditure of the Central Government For 1957-58

(As Finally Adopted)

MINISTRY OF RAILWAYS ; N. C. DEB,

New Delhi, the 11th October 1957. *For Financial Commissioner, Railways.*

CONTENTS

1.—Statement of the Revenue of the Central Government from Railways

(In thousands of rupees.)

Heads of Revenue	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase(+) Decrease (–) as compared with Budget, 1956-57	Budget Estimate, 1957-58
	Rs.	Rs.	Rs.	Rs.	Rs.
XV.—Indian Government Railways—					
Gross Receipts—					
Passenger Earnings—					
Upper	12,85,15	12,00,00	13.00 00	1,00,00	13,75,00
Third	94,85.76	99,40,00	102,50,00	3,10,00	105,25,00
Other Coaching Earnings	20,86,58	21,80,00	21,40,00	– 40,00	24,90.00
Goods Earnings	180.28,34	205,50,00	206,50,00	1,00,00	226,50,00
Sundry Other Earnings	6,81,33	6,40.00	7,35,00	95,00	8,10,00
Total Earnings	315,67,16	345,10.00	350,75,00	5,65,00	378,50.00
Suspense	61,90	– 10,00	—75,00	– 65,00	- 60,00
Gross Receipts of Indian Government Railways	(a) 316,29,06	(b) 345,00.00	(c) 350,00,00	5,00,00	(d) 377,90,00
Deduct— Working Expenses of Indian Government Railways	257,95,08	269,10,15	274,03,04	4,92,89	288,85,46
Payment to Worked Lines—					
(i) Net earnings	26,49	20,24	31,26	11,02	31,06
(ii) Rebate etc.	10	9	...	—9	...
Net Receipts	58,07,39	75,69,52	75,65,70	– 3,82	88,73,48
XVI.—Subsidised Companies—					
Government share of surplus profits etc	2,17	3,36	8,09	4,73	3,58
XVI-A.—Miscellaneous Railway Receipts—					
Miscellaneous receipts	2,22	1,47	35,18	33,71	12,59
XVI.B.—Transfer from Railway Revenue Reserve Fund	...	...	...	...	...
Total Receipts	58,11,78	75,74,35	76,08,97	34,62	88,89,65

(a) Includes 60,66 earnings of worked lines.
(b) Includes 45,94 earnings of worked lines.
(c) Includes 59,22 earnings of worked lines.
(d) Includes 59,28 earnings of worked lines.

2.—Statement of the Expenditure on Railways met from the Revenues of the Central Government

(In thousands of rupees)

HEADS OF EXPENDITURE	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase(+) Decrease (—)as compared with Budget 1956-57	Budget Estimate 1957-58
	Rs.	Rs.	Rs.	Rs.	Rs.
15.– Indian Government Railways—					
Interest–					
On Government Capital-at-Charge . .	...	...	...	...	..
On Capital contributed by Indian States and Companies	.	..	...	...	..
TOTAL INTEREST . .		...	...	..	...
15. (C) Subsidised Companies—					
Land	7	7	8	1	..
Subsidy	5,16	7,55	6,46	– 1,09	11,25
15. (D & E) Miscellaneous Railway Expenditure . .	1,75,62	2,18,43	2,13,80	– 4,63	2,44,18
15. (I) Open Line Works– Revenue	5,96,98	10,82,49	9,24,48	– 1,58,01	11 72,38
15. (F) Appropriation to Railway Revenue Reserve Fund from Surplus	7,14,17	...	...	...	...
15. (H) Appropriation to Railway Development Fund from Surplus	7,07,92	22,99,37	26,95,00	3,95,63	30,83,11
15.(J) Appropriation to Railway Depreciation Revenue Fund from Surplus . . .	...	...	...	...	...
15.(K) Dividend to General Revenues	36,11,86	39,66,44	37,69,15	—1,97,29	43,78,73
TOTAL . .	58,11,78	75,74,35	76,08,97	34,62	88,89,65

3.—Distribution of Railway surplus 1956-57 and 1957-58.

(In thousands of rupees.)

	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
	Rs.	Rs.	Rs.	Rs.
Surplus	14,22,09	22,99,37	26,95,00	30,83,11
Railway Development Fund	7,07,92	22,99,37	26,95,00	30,83,11
Railway Revenue Reserve Fund	7,14,17	...	...	...
Railway Depreciation Reserve Fund	..	..	..	..

4.—Statement of the Capital Expenditure of the Central Government on Railways

(In thousands of rupees.)

HEADS OF EXPENDITURE	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Increase(+) Decrease (—) as compared with Budget, 1956-57	Budget Estimate, 1957-58
	Rs.	Rs.	Rs.	Rs.	Rs.
Railway Capital not met from Revenue—					
67.—Construction of State Railways—					
Open Line Works—					
Rolling Stock . . .	42,34,18	64,31,76	66,92,30	2,60,54	67,64,30
Other Works . . .	10,72,78	16,26,77	12,25,07	— 4,01,70	38,97,38
New Construction . .	6,22,95	14,25,68	11,07,34	— 3,18,34	19,11,50
Suspense	7,14,86	34,53,45	12,38,89	— 22,14,56	12,55,35
Miscellaneous . .	1,06,99	1,25,00	1,17,11	— 7,89	2,80,00
Probable Savings . . .	...	— 17,19,78	...	17,19,67	— 16,91,43
TOTAL . . .	67,51,76	113,42,88	103,80,71	—9,62,17	124,17,10

5.—Statement of the Capital Expenditure of the Central Government on Vizagapatam Port.

(In thousands of rupees).

HEADS OF EXPENDITURE	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57 *	Increase(+) Decrease(—) as compared with Budget, 1956-57
	Rs.	Rs.	Rs.	Rs.
Vizagapatam Harbour Capital met from Revenue:—				
73 Capital Outlay on Vizagapatam Port—				
I. Land	8	40	4	—36
II. Waterways . . .	1,85	...	1	1
III. Docks and Berths .	—62	..	9	9
IV. Broad Gauge Railways	51	...	2	2
V. Ferries.	..	...	...	.
VI. Manganese Facilities .	61	1,50	13	—1,37
VII. Plant	126	3,47	35	—3,12
VIII. Floating Crafts . . .	...	1,20	1,04	—16
IX. Buildings . . .	2,42	4,58	66	—3,92
X. Oil Facilities . .	47,60	1,04,00	14,73	—89,27
XI. Suspense . . .	—1,20	...	—3,18	—3,18
TOTAL . . .	52,51	1,15,15	13,89	—1,01,26

* Represents outlay to end of September 1956 just prior to the transfer of control of the Port to the Ministry of Transport.

A—RAILWAY DEPRECIATION RESERVE FUND

(In thousands of rupees.)

	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58		Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening Balance	*100,68,70	100,74,77	†99,87,28	103,08,05	Appropriation from Depreciation Reserve Fund	45,89,37	45,42,07	45,72,03	49,73,56
Appropriation to Depreciation Reserve Fund	(a) 45,41,37	(b) 45,46,16	(c) 45,63,36	(d) 45,68,37	Closing Balance	103,47,15	104,09,38	103,08,05	102,40,38
Interest on Depreciation Reserve Fund	3,26,45	3,30,52	3,29,44	3,37,52					
TOTAL	149,36,52	149,51,45	148,80,08	152,13,94	TOTAL	149,36,52	149,51,45	148,80,08	152,13,94

* Includes 9,40,30 (Provisional) on account of Indian State Railways taken over from 1-4-1950.

(a) Includes 41,37 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works.

(b) Includes 46,16 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works.

(c) Includes 63,36 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works (48,03) and Integral Coach Factory (15,33).

(d) Includes 68,37 debitable to Workshop Manufacture Suspense Account, Chittaranjan Locomotive Works (50,00) and Integral Coach Factory (18,37).

† Excludes 359·87 lakhs on account of proposed adjustment in the current year of the difference between *ad hoc* and revised balances on 15-8-1947 (276·03) and the interest thereon (83·84).

B.—RAILWAY REVENUE RESERVE FUND

(In thousands of rupees.)

	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58		Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening Balance	(a) 38,36,08	(d) 46,88,58	†46,79,69 (c)	(g) 48,34,02	Appropriation from Railway Revenue Reserve Fund	—2,08	..	..	..
Appropriation to Railway Revenue Reserve Fund from Surplus etc.	7,14,17	..	..	(j) [illegible]					
Interest on Railway Revenue Reserve Fund	(b) 1,36,47	(e) 1,53,59	(f) 1,54,33	(h) 1,61	Closing Balance	(c) 46,88,80	(d) 48,42,17	(g) 48,34,02	(i) 49,95,79
TOTAL	46,86,72	48,42,17	48,34,02	49,95,79	TOTAL	46,86,72	48,42,17	48,34,02	49,95,79

(a) Includes 50·35 lakhs on account of investment in shares of and loans to Branch Line Companies, and 221·67 lakhs (provisional) on account of Indian State Railways taken over from 1-4-1950.
(b) Includes 1·77 lakhs on account of interest and dividends and gain etc., on investments.
(c) Includes 50·66 lakhs on account of investments in shares of and loans to Branch Line Companies.
(d) Includes 52·08 lakhs on account of investments in shares of and loans to Branch Line Companies.
(e) Includes 1·49 lakhs on account of interest and dividends etc., on investments.
(f) Includes 1·67 lakhs on account of interest and dividends etc., on investments.
(g) Includes 58·16 lakhs on account of investments in shares of and loans to Branch Line Companies.
(h) Includes 1·49 lakhs on account of interest and dividends etc., on investments.
(i) Includes 43·97 lakhs on account of investments in shares of and loans to Branch Line Companies.
(j) Represents net gain expected to be realised on cancellation of investments in Branch Line Shares.
† Excludes 9·11 lakhs on account of the proposed adjustment in the current year of the difference between *ad hoc* and revised balances on 15-8-1947 (6·99) and the interest thereon (2·12).

C.—RAILWAY DEVELOPMENT FUND

(In thousands of rupees.)

	Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58		Accounts, 1955-56	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening Balance . .	*17,53,72	8,06,62	†12,94,09	20,98,11	Appropriation from Development Fund . .	12,13,81	22,16,71	19,46,04	32,36,96
Appropriation to Development Fund from Surplus	7,07,92	22,99,37	26,95,00	30,83,11	Closing Balance . .	12,96,61	9,17,09	20,98,11	20,11,77
Interest on Development Fund	48,77	27,81	55,06	67,51					
TOTAL . .	@25,10,42	31,33,80	40,44,15	52,48,73	TOTAL . . .	25,10,42	31,33,80	40,44,15	52,48,73

*Includes 55,62 (Provisional) on account of Indian State Railways taken over from 1-4-1950.

@Difference of 1 is due to rounding off.

†Excludes 2·52 lakhs on account of proposed adjustment in the current year of the difference between *ad hoc* and revised balances on 15-8-1947 (1·92) and the interest thereon (·60).

THE FINANCE (No. 2) ACT, 1957

AN

ACT

to give effect to the financial proposals of the Central Government for the financial year 1957-58.

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows:—

1. Short title.—This Act may be called the Finance (No. 2) Act, 1957.

2. Income-tax and super-tax.—(*1*) Subject to the provisions of sub-sections (2), (3), (4) and (5) for the year beginning on the 1st day of April, 1957,—

(a) income-tax shall be charged at the rates specified in Part I of the First Schedule, and, in the cases to which Paragraphs A, B and C of that Part apply, shall be increased by a surcharge for purposes of the Union and a special surcharge on unearned income, calculated in either case in the manner provided therein; and

(b) super-tax shall, for the purposes of section 55 of the Indian Income-tax Act, 1922 (11 of 1922), (hereinafter referred to as the Income-tax Act), be charged at the rates specified in Part II of the First Schedule and, in the cases to which Paragraphs A, B and C of that Part apply, shall be increased by a surcharge for purposes of the Union and a special surcharge on unearned income, calculated in either case in the manner provided therein.

(2) In making any assessment for the year ending on the 31st day of March, 1958, there shall be deducted from the total income of an assessee, in respect of the earned income, if any, chargeable under the head "Salaries" included therein,—

(a) an amount equal to one-fifth of such earned income, but not exceeding in any case four thousand rupees, or

(b) the amount, if any, arrived at after deducting from four thousand rupees one-fifth of the amount by which the aggregate of all earned incomes included in the total income under whatever head they are chargeable exceeds twenty-five thousand rupees,

whichever is less.

(3) In making any assessment for the year ending on the 31st day of March, 1958,—

(a) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" as reduced by the deduction for earned income appropriate thereto, or any income chargeable under the head "Interest on Securities", or any income from dividends in respect of

which by virtue of section 49B of the Income-tax Act he is deemed himself to have paid the income-tax imposed under that Act, the income-tax payable by the assessee on that part of his total income which consists of such inclusions shall be an amount bearing to the total amount of income-tax payable according to the rates applicable under the operation of the Finance Act, 1956 (18 of 1956), on his total income the same proportion as the amount of such inclusions bears to his total income;

(b) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" on which super-tax has been or might have been deducted under the provisions of sub-section (2) of section 18 of the Income-tax Act, the super-tax payable by the assessee on that portion of his total income which consists of such inclusion shall be an amount bearing to the total amount of super-tax payable according to the rates applicable under the operation of the Finance Act, 1956 (18 of 1956), on his total income the same proportion as the amount of such inclusion bears to his total income.

(4) In making any assessment for the year ending on the 31st day of March, 1958, where the total income of a company includes any profits and gains from life insurance business, the super-tax otherwise payable by the company on the whole of such total income shall be reduced by an amount which bears to that super-tax the same proportion as the amount of such inclusion bears to its total income, or

by an amount computed at the rate of—

(i) twelve per cent. in the case of a mutual insurance company as defined in section 95 of the Insurance Act, 1938 (4 of 1938); and

(ii) nine per cent. in the case of any other company, on the amount of such inclusion,

whichever is less.

(5) In cases to which section 17 of the Income-tax Act applies, the tax chargeable shall be determined as provided in that section, and with reference to the rates imposed by sub-section (1), and in accordance with the provisions of sub-sections (2), (3) and (4) of this section, wherever applicable.

(6) For the purposes of this section and of the rates of tax imposed thereby, the expression "total income" means total income as determined for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Income-tax Act, and the expression "earned income" has the meaning assigned to it in clause (6AA) of section 2 of that Act.

3. Amendment of section 4.—In section 4 of the Income-tax Act, in sub-section (3),—

(i) in clause (xvii), the figures and words "3½ per cent." shall be omitted;

(ii) in clause (xviia), the figures and word "10 year" shall be omitted; and

(iii) after clause (xviia), the following clause shall be inserted, namely:—

"(xviib) Interest payable—

(i) by Government or a local authority on moneys borrowed by it from sources outside India from any person not resident in India or from any institution established outside India;

(ii) by an industrial undertaking in India on moneys borrowed by it under a loan agreement entered into with any such financial institution in a foreign country as may be approved in this behalf by the Central Government by general or special order;

(iii) by an industrial undertaking in India on any moneys borrowed or debt incurred by it in a foreign country in respect of the purchase outside India of capital plant and machinery in any case where the loan or debt is approved by the Central Government, having regard to its terms generally and in particular, to the terms of its repayment.".

4. Amendment of section 10.—In section 10 of the Income-tax Act, for sub-sections (2B) and (2C), the following sub-sections shall be substituted, namely:—

"(2B) Notwithstanding anything contained in sub-section (2), no allowance under clause (vi), clause (via), clause (vib) or clause (vii) of that sub-section shall be made in computing under this section the profits or gains of a company for any previous year unless the company deposits or has deposited with the Central Government w'thin six months from the end of the said previous year or before the thirtieth day of June of the assessment year relevant to such previous year, whichever is later—

(i) such percentage, if any (not exceeding twenty-five in any case) as may be notified by the Central Government, of the accumulated profits and reserves of the company as at the end of the year preceding the previous year, to the extent to which such profits and reserves are not represented by the fixed assets of the company; and

(ii) such percentage, if any (not exceeding seventy-five in any case) as may be notified by the Central Government, of the amount by which the aggregate of the following amounts, namely:—

(a) the total income of the company for the previous year, as reduced by the amount of income-tax and super-tax payable in respect thereof (the total income and tax being computed by the assessee for this purpose) and by the dividends, if any, declared or deemed to be declared in India, during the previous year; and

(b) the sum of the allowances claimed by the company under the clauses aforesaid;

exceeds the sum of rupees one lakh:

Provided that where the total income computed by the Income-tax Officer under this Act exceeds the total income as computed by the company under clause (ii), the company shall be deemed not to have made any deposit under that clause unless it deposits with the Central Government such further amount as may be prescribed having regard

to the excess, together with interest thereon at the prescribed rate and within the prescribed time:

Provided further that the Central Government may, by notification in the Official Gazette, direct that for any assessment year the provisions of this sub-section shall have effect as if for "the period of six months" and the date "the thirtieth day of June" referred to therein the period or date specified in the notification had been substituted.

Explanation.—The power to fix percentages under this sub-section includes a power to fix different percentages in relation to different classes of companies.

(2C) The Central Government may make rules,—

(a) providing for the manner in which the deposits referred to in sub-section (2B) may be computed or made;

(b) providing for the manner in which and the extent to which any amounts declared as dividends by a company incorporated outside India or by a company not resident in India or, by a company any portion of whose profits and gains is not included in its total income by reason of any of the provisions of this Act may be deemed to have been declared as dividends in India;

(c) providing for the time when, and the manner in which, refunds of any deposit made under sub-section (2B) shall be made, whether with or without interest, and, in particular, the refund at any time of any such deposit or any part thereof where the refund is claimed for carrying out any such purpose connected with the business of the company as may be approved by the Central Government;

(d) prescribing the circumstances in which, and the conditions subject to which, a deposit need not be made under sub-section (2B);

(e) providing for the procedure to be followed in respect of any of the matters specified in the preceding clauses, and the constitution of a Board of Referees for any of the purposes aforesaid.".

5. Amendment of section 15.—In section 15 of the Income-tax Act, in sub-secion (3),—

(i) for the words, brackets and figures "sub-section (1) of section 58F" the words and figures "section 58F" shall be substituted; and

(ii) for the word "one-fifth" in both the places where it occurs, the word "one-fourth" shall be substituted.

6. Amendment of section 17.—In section 17 of the Income-tax Act, in clause (b) of sub-section (1), for the words "three annas in the rupee", the words "nineteen per cent." shall be substituted.

7. Amendment of section 23A.—In section 23A of the Income-tax Act,—

(i) for sub-sections (1) and (2), the following sub-sections shall be substituted, namely:—

"(1) Where the Income-tax Officer is satisfied that in respect of any previous year the profits and gains distributed as dividends by any company within the twelve months immediately following the expiry of that

previous year are less than the statutory percentage of the total income of the company of that previous year as reduced by—

(a) the amount of income-tax and super-tax payable by the company in respect of its total income, but excluding the amount of any super-tax payable under this section;

(b) the amount of any other tax levied under any law for the time being in force on the company by the Government or by a local authority in excess of the amount, if any, which has been allowed in computing the total income; and

(c) in the case of a banking company, the amount actually transferred to a reserve fund under section 17 of the Banking Companies Act, 1949 (10 of 1949);

the Income-tax Officer shall, unless he is satisfied that, having regard to the losses incurred by the company in earlier years or to the smallness of the profits made in the previous year, the payment of a dividend or a larger dividend than that declared would be unreasonable, make an order in writing that the company shall, apart from the sum determined as payable by it on the basis of the assessment under section 23, be liable to pay super-tax at the rate of fifty per cent. in the case of a company whose business consists wholly or mainly in the dealing in or holding of investments, and at the rate of thirty-seven per cent. in the case of any other company on the undistributed balance of the total income of the previous year, that is to say, on the total income as reduced by the amounts, if any, referred to in clause (a), clause (b) or clause (c) and the dividends actually distributed, if any.

(2) No order under sub-section (1) shall be made,—

(i) in the case of a company whose business consists wholly or mainly in the dealing in or holding of investments which has distributed not less than ninety per cent. of its total income as reduced by the amounts, if any, referred to in clause (a), clause (b) or clause (c) of sub-section (1); or

(ii) in the case of any other company whose distribution falls short of the statutory percentage by not more than five per cent. of its total income as reduced by the amounts, if any, aforesaid; or

(iii) in any case where according to the return made by a company under section 22 it has distributed not less than the statutory percentage of its total income as reduced by the amounts, if any, aforesaid, but in the assessment made by the Income-tax Officer under section 23 a higher total income is arrived at and the difference in the total income does not arise out of the application of the proviso to section 13 or sub-section (4) of section 23 or the omission by the company to disclose its income fully and truly;

unless the company, on receipt of a notice from the Income-tax Officer that he proposes to make such an order, fails to make within three months of the receipt of such notice a further distribution of its profits and gains so that the total distribution made is not less than the statutory percentage of the total income of the company as reduced by the amounts, if any, aforesaid.";

(ii) sub-sections (3), (4), (5), (6) and (7) shall be omitted;

(iii) in sub-section (8), the words "Except in cases where a decision is given by the Commissioner of Income-tax under sub-section (3) or the Board of Referees under sub-section (4)" shall be omitted;

(iv) the *Explanation* to section 23A shall be renumbered as *Explanation* 1, and in the *Explanation* as so re-numbered, in clause (b), —

(a) in sub-clause (i), for the words "held by the public" the words "held by the Government or a corporation established by a Central, State or Provincial Act or the public" shall be substituted;

(b) in sub-clause (iii), for the brackets and words "(persons who are related to one another as husband, wife, lineal ascendant or descendant, brother or sister, as the case may be, being treated as a single person and persons who are nominees of another person together with that other person being likewise treated as a single person)" the following shall be substituted, namely:—

"and in computing the number of six persons aforesaid, the Government or any corporation established by a Central, State or Provincial Act or a company to which the provisions of this section do not apply shall not be taken into account, and persons who are relatives of one another and persons who are nominees of any other person together with that other person shall be treated as a single person, the expression "relative" in this context meaning husband, wife, lineal ascendant or descendant, brother or sister;"

(c) for the word, brackets and figure "sub-section (4)" in both the places where they occur, the words, brackets and figures "clause (ii) of *Explanation* 2" shall be substituted;

(v) after the *Explanation* as so re-numbered, the following *Explanation* shall be inserted, namely:—

"*Explanation* 2.—For the purposes of this section, statutory percentage means,—

(i) in the case of a company whose business consists wholly or mainly in the dealing in or holding of investments.. 100%

(ii) in the case of an Indian company whose business consists wholly in the manufacture or processing of goods or in mining or in the generation or distribution of electricity or any other form of power 45%

(iii) in the case of an Indian company, a part only of whose business consists in any of the activities specified in clause (ii)—

(a) in relation to the said part of the company's business 45%

(b) in relation to the remaining part of the company's business—

(1) if it is a company which satisfies the conditions specified in sub-clause (a) of clause (iv) .. 90%

(2) in any other case 60%;

the said percentages being applied separately with reference to the amounts of profits and gains attributable to the two parts of the company's business aforesaid as if the said amounts were respectively the total income of the company in relation to each of its parts, the amount of dividends and taxes also being similarly apportioned, for the purposes of sub-section (1).

(iv) in the case of any other company not referred to in the preceding clauses,—

(a) where the accumulated profits and reserves (including the amounts capitalised from the earlier reserves) representing accumulations of past profits which have not been the subject of an order under sub-section (1) exceed either the aggregate of—

(1) the paid-up capital of the company exclusive of the capital, if any, created out of its profits and gains which have not been the subject of an order under sub-section (1);

(2) any loan capital which is the property of the shareholders;

or the actual cost of the fixed assets of the company, whichever of these is greater 90%

(b) where sub-clause (a) does not apply .. .. 60%".

8. Amendment of section 24.—In section 24 of the Income-tax Act,—

(a) in clause (iii) of sub-section (2), after the words "following year and so on", the words "but no loss shall be so carried forward for more than eight years" shall be inserted;

(b) in sub-section (2B), after the words "to the following year and so on", the words "so however that no such loss shall be carried forward for more than eight years" shall be inserted.

9. Substitution of new section for section 58E. Annual contributions of employers and interest when deemed to be income received.—For section 58E of the Income-tax Act, the following section shall be substituted, namely:—

"58E. That portion of the annual accretion in any year to the balance at the credit of an employee participating in a recognised provident fund as consists of—

(a) contributions made by the employer in excess of ten per cent. of the salary of the employee, and

(b) interest credited on the balance to the credit of the employee in so far as it exceeds one-third of the salary of the employee or is allowed at a rate exceeding the rate fixed by the Central Government in this behalf by notification in the Official Gazette,

shall be deemed to have been received by him in that year and shall be included in his total income for that year, and shall be liable to income-tax and super-tax.".

10. Substitution of new section for section 58F. Exemption of employees' contributions from income-tax.—For section 58F of the Income-tax Act, the following section shall be substituted, namely:—

"58F. An employee shall not be liable to pay income-tax on his own contributions to his individual account in a recognised provident fund in so far as the aggregate of such contributions in any year does not exceed one-fifth of his salary in that year or eight thousand rupees, whichever *is* less.".

11. Commencement of amendments to Act 11 of 1922.—(1) The amendments to the Income-tax Act made by sections 3, 9 and 10 shall, for the purposes of making any deduction of income-tax under sub-section (2) or sub-section (2B) of section 18 of the Income-tax Act, have effect on and from the first day of April, 1957, and for other purposes shall have effect on and from the first day of April, 1958.

(2) Save as otherwise provided in sub-section (1), the provisions of section 2 and the amendments to the Income-tax Act made by sections 3 to 10 inclusive shall be deemed to have come into force on the first day of April, 1957.

(3) Where any assessment for the year ending on the thirty-first day of March, 1958, has been completed or a notice of demand has been issued before the commencement of this Act, the Income-tax Officer shall, wherever necessary, revise the assessment or issue a revised notice of demand, as the case may be, conformably to the provisions of this Act.

(4) For the removal of doubts, it is hereby declared that the provisions of section 23A of the Income-tax Act, as in force immediately before the 1st day of April, 1957, shall continue to apply to a company in respect of its profits and gains of a previous year relevant to any assessment year prior to the assessment year ending on the 31st day of March, 1958.

12. Amendment of Act 32 of 1934.—(1) The Indian Tariff Act, 1934 (hereinafter referred to as the Tariff Act), shall be amended in the manner specified in Parts I, II, III and IV of the Second Schedule.

(2) In the First Schedule to the Tariff Act, the following *Explanation* shall be inserted at the end, namely:—

'*Explanation*.—References in this Schedule to "the excise duty for the time being leviable on like articles if produced or manufactured in India" shall be construed as references to the excise duty for the time being in force which would be leviable on like articles if produced or manufactured in India or, if like articles are not so produced or manufactured, which would be leviable on the class or description of articles to which the imported articles belong.'.

13. Amendment of Act 1 of 1954.—In the First Schedule to the Central Excises and Salt Act, 1944,—

(a) in Item No. 2, for sub-items (1), (2), (3) and (4), the following shall be substituted, namely:—

"(1) Maches, in boxes containing 60 matches on an average, if manufactured in a factory whose output—

(i) exceeds five hundred thousand gross of boxes per year.	Four rupees and ninety naye paise per gross of boxes.
(ii) does not exceed five hundred thousand gross of boxes per year, but exceeds one hundred gross of boxes per day.	Four rupees and seventy-five naye paise per gross of boxes.

(iii) does not exceed one hundred gross of boxes per day, but exceeds twenty-five gross of boxes per day.	Four rupees and fifty naye paise per gross of boxes.
(iv) does not exceed twenty-five gross of boxes per day.	Four rupees and thirty naye paise per gross of boxes.
(2) Matches, in boxes containing 40 matches on an average, if manufactured in a factory whose output—	
(i) exceeds five hundred thousand gross of boxes per year.	Three rupees and twenty-five naye paise per gross of boxes.
(ii) does not exceed five hundred thousand gross of boxes per year, but exceeds one hundred gross of boxes per day.	Three rupees and fifteen naye paise per gross of boxes.
(iii) does not exceed one hundred gross of boxes per day, but exceeds twenty-five gross of boxes per day.	Two rupees and ninety-five naye paise per gross of boxes.
(iv) does not exceed twenty-five gross of boxes per day.	Two rupees and eighty naye paise per gross of boxes.
(3) Matches in boxes containing on an average not more than twelve matches of the type known as "Bengal Lights".	One rupee per gross of boxes.
(4) All other matches.	Eighty naye paise for every 1,440 matches or fraction thereof.";

(b) in Item No. 4, for the entry in the third column, the entry "One rupee and twenty-five naye paise per imperial gallon." shall be substituted;

(c) in Item No. 7, for the entry in the third column, the entry "Forty rupees per ton." shall be substituted;

(d) in Item No. 8, in sub-item (1), for the entry in the third column, the entry "Eleven rupees and twenty-five naye paise per cwt." shall be substituted;

(e) in Item No. 9,—

(i) in sub-item I(4), for the entry in the third column, the entry "Seventy-five naye paise per lb." shall be substituted;

(ii) for sub-items I(5) and I(6), the following sub-items shall be substituted, namely:—

"(5) if not flue cured and not actually used for the manufacture of (a) cigarettes or (b) smoking mixtures for pipes and cigarettes— (i) stems of tobacco larger than 1/4″ and stems of tobacco not larger than 1/16″ in size; (ii) dust of tobacco; (iii) granule ('*rawa*') of tobacco not larger than 1/16″ square in size; (iv) tobacco cured in whole leaf form and packed or tied in bundles, hanks or bunches or in the form of twists or coils; *Explanation.*—The size of tobacco shall be determined for the purposes of this sub-item with reference to the size of the mesh through which it can pass;	Fifty naye paise per lb.
(6) if other than flue cured and not otherwise specified.	One rupee per lb.";

(f) in Item No. 15, for the entry in the third column, the entry "Twenty rupees per ton." shall be substituted;

(g) for Item No. 21, the following Item shall be substituted, namely:—

"21. PAPER, all sorts (including pasteboard, millboard, strawboard and cardboard), in or in relation to the manufacture of which any process is ordinarily carried on with the aid of power—	
(1) blotting, toilet, target, tissue other than cigarette tissue, teleprinter, typewriting, manifold, bank, bond, art paper, chrome paper, tubsized paper, cheque paper, stamp paper, cartridge paper and parchment.	Fifteen naye paise per lb.
(2) cigarette tissue.	Thirty naye paise per lb.
(3) printing and writing paper, other sorts.	Ten naye paise per lb.

(4) packing and wrapping paper, other sorts.	Ten naye paise per lb.
(5) millboard and strawboard other than corrugated board.	Five naye paise per lb.
(6) duplex and triplex board.	Ten naye paise per lb.
(7) pulp board	Ten naye paise per lb.
(8) manilla and corrugated board ..	Ten naye paise per lb.
(9) coated board (including art, chrome and board for playing cards).	Fifteen naye paise per lb.
(10) paper and paper board, all sorts, not otherwise specified.	Fifteen naye paise per lb.";

(h) in Item No. 23, for the entry in the third column, the entry "One hundred and twelve rupees per ton." shall be substituted;

(i) in Item No. 24, for the entry in the third column, the entry "Forty naye paise per imperial gallon." shall be substituted;

(j) in Item No. 25, in sub-item (a), for the entry in the third column, the entry "Forty rupees per ton." shall be substituted;

14. Amendment of Act 6 of 1898.—The First Schedule to the Indian Post Office Act, 1898, shall be amended as follows, namely:—

(i) for the heading Letters and the entries thereunder, the following headings and entries shall be substituted, namely:—

Letters

For a weight not exceeding one and a half tolas.	15 naye paise.
For every one and a half tolas, or fraction thereof, exceeding one and a half tolas.	10 naye paise.

Letter-cards

For a letter-card.	10 naye paise.

(ii) in column 2 of the entries under the heading Book, Pattern and Sample Packets, for the figure and words "6 *naye paise*" the figure and words "8 *naye paise*" shall be substituted.

15. Repeals.—(*1*) Sections 31 and 37 of, and the Third and Fourth Schedules to, the Finance Act, 1956 (18 of 1956), and section 5 of the Finance Act, 1957 (5 of 1957), are hereby repealed.

(2) Section 8 of the Finance (No. 3) Act, 1956 (77 of 1956), and section 2 of the Finance Act, 1957 (5 of 1957), are hereby repealed and shall be deemed never to have been enacted.

16. Excise and customs duties collected before commencement of Act not to be refunded.—Notwithstanding anything contained in the Provisional Collection of Taxes Act, 1931 (16 of 1931), no refund shall be made of any duties of excise or customs collected before the commencement of this Act by virtue of a declared provision within the meaning of that Act contained in the Finance (No. 2) Bill, 1957.

THE FIRST SCHEDULE

(*See* section 2)

PART I

Income-tax and surcharge on income-tax

Paragraph A

(i) In the case of every individual who is married and every Hindu undivided family whose total income does not exceed Rs. 20,000 in either case.

Rates of Income-tax

	Where the individual has no child wholly or mainly dependent on him or where the Hindu undivided family has no minor coparcener.	Where the individual has one child wholly or mainly dependent on him or where the Hindu undivided family has one minor coparcener.	Where the individual has more than one child wholly or mainly dependent on him or where the Hindu undivided family has more than one minor coparcener.	
	Rs.	Rs.	Rs.	
(1) On the first	3,000 of total income	3,300 of total income	3,600 of total income	Nil
(2) On the next	2,000 ,,	1,700 ,,	1,400 ,,	3%
(3) On the next	2,500 ,,	2,500 ,,	2,500 ,,	6%
(4) On the next	2,500 ,,	2,500 ,,	2,500 ,,	9%
(5) On the next	2,500 ,,	2,500 ,,	2,500 ,,	11%
(6) On the next	2,500 ,,	2,500 ,,	2,500 ,,	14%
(7) On the next	5,000 ,,	5,000 ,,	5,000 ,,	18%

(ii) In the case of every individual who is not married and every individual or Hindu undivided family whose total income in either case exceeds Rs. 20,000 and in the case of every unregistered firm or other association of persons, not being a case to which *Paragraph B* or *Paragraph C* or *Paragraph D* of this Part applies:—

	Rs.		
(1) On the first	1,000	of total income	Nil
(2) On the next	4,000	,, ...	3%
(3) On the next	2,500	,, ...	6%
(4) On the next	2,500	,, ...	9%
(5) On the next	2,500	,, ...	11%
(6) On the next	2,500	,, ...	14%
(7) On the next	5,000	,, ...	18%
(8) On the balance of total income		. . . . .	25%

Provided that for the purposes of this Paragraph—

(i) no income-tax shall be payable on a total income which does not exceed the limit specified below;

(ii) the income-tax payable shall in no case exceed half the amount by which the total income exceeds the said limit;

(iii) the income-tax payable by an individual who is married or a Hindu undivided family whose total income exceeds in either case Rs. 20,000 shall not exceed the aggregate of—

(a) the income-tax which would have been payable if the total income had been Rs. 20,000;

(b) half the amount by which the total income exceeds Rs. 20,000.

The limit aforesaid shall be—

(i) Rs. 6,000 in the case of every Hindu undivided family which as at the end of the previous year satisfies either of the following conditions, namely:—

(a) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or

(b) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(ii) Rs. 3,000 in every other case.

Surcharges on Income-tax

The amount of income-tax computed at the rates hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under:—

(a) A surcharge for purposes of the Union equal to the sum of—

(i) five per cent. of the amount of income-tax; and

(ii) where the earned income included in the total income exceeds Rs. 1,00,000, five per cent. of the difference between the amount of income-tax which would have been payable on the whole of the earned income included in the total income if such earned income had been the total income and the amount of income-tax payable on a total income of Rs. 1,00,000;

(b) A special surcharge on unearned income at fifteen per cent. of the difference between the amount of income-tax on the total income and the amount of income-tax on the whole of the earned income, if any, included in the total income of such earned income had been the total income:

Provided that—

(i) no surcharge for purposes of the Union shall be payable where the total income does not exceed the limit specified below;

(ii) no special surcharge on unearned income shall be payable in the case of an assessee whose total income does not include any income from dividend on ordinary shares if his total income does not exceed the limit specified below, and where the total income includes any dividends on ordinary shares,

such limit shall be increased by Rs. 1,500 or the amount of the said dividends, whichever is less:

Provided further that—

(a) where the total income includes any dividends on ordinary shares, the surcharge for purposes of the Union and the special surcharge on unearned income shall not in each case exceed half the amount by which the total income exceeds the respective limits applicable in either case;

(b) the surcharge for purposes of the Union and the special surcharge on unearned income, both together, shall not exceed half the amount by which the total income exceeds the limit specified below;

The limit aforesaid shall be—

(i) Rs. 15,000 in the case of every Hindu undivided family which satisfies as at the end of the previous year either of the following conditions, namely:—

(a) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or

(b) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(ii) Rs. 7,500 in every other case.

Explanation.—For the purposes of this paragraph, in the case of every Hindu undivided family governed by the Mitakshara law, a son shall be deemed to be entitled to claim partition of the coparcenary property against his father, or grand-father notwithstanding any custom to the contrary.

Paragraph B

In the case of every company and local authority,—

Rates of income-tax

On the whole of the total income 30%

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge of 5 per cent. thereon.

Paragraph C

(1) In every case in which under the provisions of the Income-tax Act, income-tax is to be charged at the maximum rate,—

Rates of income-tax

On the whole of the total income 25%

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge of 20 per cent. thereon.

(2) In every case in which under the provisions of the Income-tax Act, income-tax is to be deducted at the maximum rate, deduction shall

be made from the whole income which is to be subjected to such deduction at the following rates, namely:—

	Rate of income-tax on the whole income	Rate of surcharge on the whole income
In the case of every company . . .	30%	1·5%
In any other case . . .	25%	5%

Paragraph D

In the case of every registered firm,—

Rates of income-tax

(1) On the first Rs. 40,000 of total income	..	*Nil*
(2) On the next Rs. 35,000 of total income	..	5%
(3) On the next Rs. 75,000 of total income	..	6%
(4) On the balance of total income	..	9%

PART II

Super-tax and surcharge on super-tax

Paragraph A

In the case of every individual, Hindu undivided family, unregistered firm and other association of persons, not being a case to which any other paragraph of this Part applies,—

Rates of super-tax

(1) On the first Rs. 20,000 of total income	..	*Nil.*
(2) On the next Rs. 5,000 of total income	..	5%
(3) On the next Rs. 5,000 of total income	..	15%
(4) On the next Rs. 10,000 of total income	..	20%
(5) On the next Rs. 10,000 of total income	..	30%
(6) On the next Rs. 10,000 of total income	..	35%
(7) On the next Rs. 10,000 of total income	..	40%
(8) On the balance of total income	..	45%

Surcharges on super-tax

The amount of super-tax computed at the rates hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under:

(a) A surcharge for purposes of the Union equal to the sum of,—

(i) five per cent. of the amount of super-tax; and

(ii) where the earned income included in the total income exceeds Rs. 1,00,000, five per cent. of the difference between the amount of super-tax which would have been payable on the whole of the earned income included in the total income, if such earned income had been the total income and the amount of super-tax payable on a total income of Rs. 1,00,000;

(b) A special surcharge on unearned income at fifteen per cent. of the difference between the amount of super-tax on the total income and the amount of super-tax on the whole of the earned income, if any, included in the total income, if such earned income has been the total income.

Paragraph B

In the case of every local authority,—

Rate of super-tax

On the whole of the total income 16%

Surcharge on super-tax

The amount of super-tax computed at the rate hereinbefore specified shall be increased by a surcharge of 12½% thereon.

Paragraph C

In the case of every association of persons being a co-operative society as defined in clause (5B) of section 2 of the Income-tax Act,—

Rates of super-tax

(1) On the first Rs. 25,000 of total income .. *Nil*

(2) On the balance of total income .. 16%

Surcharge on super-tax

The amount of super-tax computed at the rates hereinbefore specified shall be increased by a surcharge of 12½% thereon.

Paragraph D

In the case of every company,

Rates of super-tax

On the whole of the total income .. 50%

Provided that,—

(i) a rebate at the rate of 40 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company and a rebate

at the rate of 35 per cent. on the balance of the total income shall be allowed in the case of any company which—

(a) in respect of its profits liable to tax under the Income-tax Act for the year ending on the 31st day of March, 1958, has made the prescribed arrangements for the declaration and payment within India of the dividends payable out of such profits and for the deduction of super-tax from dividends in accordance with the provisions of sub-section (3D) of section 18 of that Act; and

(b) is such a company as is referred to in sub-section (9) of section 23A of the Income-tax Act with a total income not exceeding Rs. 25,000;

(ii) a rebate at the rate of 40 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company and a rebate at the rate of 30% on the balance of the total income shall be allowed in the case of any company which satisfies condition (a) but not condition (b) of the preceding clause;

(iii) a rebate at the rate of 40% on so much of the total income as consists of dividends from a subsidiary Indian company and a rebate at the rate of 20% on the balance of the total income shall be allowed in the case of any company not entitled to a rebate under either of the preceding clauses:

Provided further that,—

(i) the amount of the rebate under clause (i) or clause (ii) shall be reduced by the sum, if any, equal to the amount or the aggregate of the amounts, as the case may be, computed as hereunder:—

(a) on that part of the sum arrived at in accordance with clause (i) of the second proviso to paragraph D of Part II of the First Schedule to the Finance Act, 1956 (18 of 1956), as is referable to that amount of bonus shares, bonus or dividends, as the case may be, which has not been deemed to have been taken into account, in accordance with clause (ii) of the said proviso, for the purpose of reducing the rebate mentioned therein to nil.	The whole amount of such part.
(b) on the amount representing the face value of any bonus shares or the amount of any bonus issued to its shareholders during the previous year with a view to increasing the paid-up capital except to the extent to which such bonus shares or bonus have been issued out of premiums received in cash on the issue of its shares; and	at the rate of 30%.

(c) in addition, in the case of a company referred to in clause (ii) of the preceding proviso which has distributed to its shareholders during the previous year dividends in excess of six per cent. of its paid-up capital, not being dividends payable at a fixed rate—

on that part of the said dividends which exceeds 6 per cent. but does not exceed 10 per cent. of the paid-up capital;	at the rate of 10%.
on that part of the said dividends which exceeds 10 per cent. but does not exceed 18 per cent. of the paid-up capital;	at the rate of 20%.
on that part of the said dividends which exceed 18 per cent. of the paid-up capital.	at the rate of 30%.

(ii) where the sum arrived at in accordance with clause (i) of this proviso exceeds the amount of the rebate arrived at in accordance with clause (i) or clause (ii), as the case may be, of the preceding proviso, only so much of the amounts of reduction mentioned in sub-clauses (a), (b) and (c) of clause (i) of this proviso as is sufficient, in that order, to reduce the rebate to *nil* shall be deemed to have been taken into account for the purpose:

Provided further that the super-tax payable by a company, the total income of which exceeds rupees twenty-five thousand shall not exceed the aggregate of—

(a) the super-tax which would have been payable by the company if its total income had been rupees twenty-five thousand, and

(b) half the amount by which its total income exceeds rupees twenty-five thousand.

Explanation.—For the purposes of this paragraph—

(i) the expression "paid-up capital" means the paid-up capital (other than capital entitled to a dividend at a fixed rate) of the company as on the first day of the previous year relevant to the assessment for the year ending on the 31st day of March, 1958, increased by any premiums received in cash by the company on the issue of its shares, standing to the credit of the share premium account as on the first day of the previous year aforesaid;

(ii) the expression "dividend" shall be deemed to include any distribution included in the expression "dividend" as defined in clause (6A) of section 2 of the Income-tax Act;

(iii) where any portion of the profits and gains of the company is not included in its total income by reason of such portion being exempt from tax under any provision of the Income-tax Act, the "paid-up capital" of the company, the amount distributed as dividends (not being dividends payable at a fixed rate), the amount representing the face value of any bonus shares and the amount of any bonus issued to the share-holders shall each be deemed to be such proportion thereof as the total income of the company for the previous year bears to its total profits and gains for that year other than capital receipts, reduced by such allowances as may be admissible under the Income-tax Act which have not been taken into account by the company in its profits and loss account for that year.

THE SECOND SCHEDULE

(*See* section 12)

PART I

In the First Schedule to the Tariff Act,—

(i) in Items Nos. 3, 3(4), 4, 5(1), 11, 11(2), 11(4), 11(5), 12, 15, 15(1), 15(2), 15(4), 15(8), 16(2), 21(2), 23, 25(7), 27(2), 28(5), 28(6)(a), 28(6)(b), 28(7), 28(8), 28(16), 28(17), 28(19), 30(8), 30(10), 32(4), 34(1), 34(2), 36, 39(1), 40, 40(3), 40(4), 40(5), 46(1), 47(1), 47(3), 47(4), 47(5), 47(7), 50, 50(1), 50(2), 50(4), 50(6), 50(7), 52(1), 58, 58(2), 59(6), 63(18)(b), 63(28), 64(4)(b), 65(a), 65(b), 66(a), 66(b), 66(1), 67, 67(1), 68, 69(2), 70, 70(1), 70(3), 70(6), 70(9), 71(1), 71(11), 72(6), 72(12), 73(2), 73(6), 74(1), 75, 75(4), 76(3), 82 and 82(3), for the existing entries against each of them in the fourth column, the entry "35 per cent. *ad valorem*" shall be substituted;

(ii) in Item No. 3(1), for the existing entry in the fourth column, the entry "One rupee per Indian maund of 82-2/7 lbs. plus 10 per cent. *ad valorem*" shall be substituted;

(iii) in Items Nos. 3(2), 43, 63, 63(1), 63(4), 63(5), 63(7), 63(11), 63(13), 63(22), 63(23), 63(26), 63(35), 73(3), 74(2), 74(3) and 76(1) for the existing entries against each of them in the fourth column, the entry "20 per cent. *ad valorem*" shall be substituted;

(iv) in Items Nos. 3(3), 5(2), 11(3), 12(2), 13(2), 13(4), 30(5) and 50(8), for the existing entries against each of them in the fourth and sixth columns, the entries "40 per cent. *ad valorem*" and "30 per cent. *ad valorem*" respectively shall be substituted;

(v) Item No. 4(3) shall be omitted;

(vi) in Items Nos. 5, 14, 28(31)(a), 28(34)(a), 30(9)(a) and 64(a), for the existing entries against each of them in the fourth column, the entry "30 per cent. *ad valorem*" shall be substituted;

(vii) in Items Nos. 7 and 8, for the existing entries against each of them in the fourth and sixth columns, the entries "45 per cent. *ad valorem*" and "35 per cent. *ad valorem*" respectively shall be substituted;

(viii) in Items Nos. 8(3), 11(6)(b), 20(4), 21(1), 22, 25(3), 33, 33(1), 45(b), 45(c), 53, 55, 58(1), 59(1), 63(16), 64(3)(b) and 71(7), for the existing entries against each of them in the fourth column, the entry "50 per cent. *ad valorem*" shall be substituted;

(ix) in Item No. 9, for the existing entries in the fourth and sixth columns, the entries "40 per cent. *ad valorem* plus six naye paise per lb." and "40 per cent. *ad valorem*" respectively shall be substituted;

(x) in Item No. 9(1), for the existing entries in the fourth and sixth columns, the entries "50 per cent. *ad valorem*" and "40 per cent. *ad valorem*" respectively shall be substituted;

(xi) in Item No. 9(2), for the existing entries in the fourth and sixth columns, the entries "Sixty naye paise per lb." and "Forty-eight naye paise per lb." respectively shall be substituted;

(xii) in Items Nos. 9(3) and 9(4), for the existing entries against each of them in the fourth and sixth columns, the entries "82½ per cent. *ad valorem*" and "75 per cent. *ad valorem*" respectively shall be substituted.

(xiii) in Item No. 9(5), for the existing entry in the fourth column, the entry "Rs. 1·03 per lb." shall be substituted;

(xiv) in Items Nos. 11(6)(a), 17(1), 28(11), 28(12), 28(31)(b), 28(34)(b), 30(9)(b), 64(b), 64(3)(a), 70(5) and 72(33), for the existing entries against each of them in the fourth column, the entry "40 per cent. *ad valorem*" shall be substituted;

(xv) in Items Nos. 12(5), 13(1), 22(7), 40(1) and 71(6), for the existing entries against each of them in the fourth column, the entry "5 per cent. *ad valorem*" shall be substituted;

(xvi) in Item No. 13(6), for the existing entry in the fourth column, the entry "Rs. 40 per seer of 80 tolas or 25 per cent. *ad valorem*, whichever is higher" shall be substituted;

(xvii) in Items Nos. 15(6) and 15(7), for the figures "35" and "25" against each of them in the fourth and sixth columns, the figures "45" and "35" respectively shall be substituted;

(xviii) in Items Nos. 17 and 17(3), for the existing entries against each of them in the fourth column, the entry "The rate at which excise duty is for the time being leviable on sugar, other than *khandsari* or palmyra sugar, produced in India plus Rs. 10 per cwt." shall be substituted;

(xix) in Items Nos. 17(2), 19, 31(5), 36(2), 45(a), 45(5), 45(6), 59(2), 59(3), 59(5), 60(1)(a), 60(1)(b), 60(3), 75(6)(b), 75(7)(b), 75(7A)(b), 75(8)(b), 82(2) and 83, for the existing entries against each of them in the fourth column, the entry "75 per cent. *ad valorem*" shall be substituted;

(xx) in Item No. 20(2), for the existing entries in the fourth and sixth columns, the entries "75 per cent. *ad valorem*" and "65 per cent. *ad valorem*" respectively shall be substituted;

(xxi) in Items Nos. 20(5)(a) and 20(8)(a), for the existing entries against each of them in the fourth column, the entry "39 per cent. *ad valorem*" shall be substituted;

(xxii) in Items Nos. 20(5)(b), 20(8)(b) and 20(9)(b), for the existing entries against each of them in the fourth column the entry "45 per cent. *ad valorem*" shall be substituted;

(xxiii) in Item No. 20(9)(a), for the existing entry in the fourth column, the entry "37 per cent. *ad valorem*" shall be substituted;

(xxiv) in Item No. 22(1), for the existing entries in the fourth column against sub-items (a), (b), (c) and (d), the entries "Rs. 4·50 per Imperial gallon", "75 naye paise per bottle", "40 naye paise per bottle" and "20 naye paise per bottle" respectively shall be substituted;

(xxv) in Item No. 22(2), for the existing entries in the fourth column against sub-items (b), (c) and (d), the entries "Rs. 1·50 per bottle", "75 naye paise per bottle" and "40 naye paise per bottle" respectively shall be substituted;

(xxvi) in Item No. 22(4)—

(1) for the existing entries in the fourth column against each of the sub-items (a) and (b) (ii), the entry "Rs. 120 per Imperial gallon of the strength of London proof or 100 per cent. *ad valorem*. whichever is higher" shall be substituted;

(2) for the existing entry in the fourth column against sub-item (b) (i), the entry "Rs. 150 per Imperial gallon or 100 per cent. *ad valorem* whichever is higher" shall be substituted; and

(3) proviso (a) shall be omitted;

(xxvii) in Item No. 22(5)—

(1) for the existing entries in the fourth and sixth columns against sub-item (a)(i), the entries "Rs. 73 Per Imperial gallon or 45 per cent. *ad valorem*, whichever is higher" and "Rs. 68 per Imperial gallon or 35 per cent. *ad valorem*. whichever is higher" respectively shall be substituted;

(2) for the existing entries in the fourth and sixth columns against each of the sub-items (a)(ii) and (d), the entries "Rs. 55:25 per Imperial gallon of the strength of London proof or 45 per cent. *ad valorem*. whichever is higher" and "Rs. 51:50 per Imperial gallon of the strength of London proof or 35 per cent. *ad valorem*, whichever is higher" respectively shall be substituted;

(3) for the existing entries in the fourth, fifth and sixth columns against sub-item (b)(i), the entries "Rs. 48 per Imperial gallon or 45 per cent. *ad valorem*, whichever is higher", "Rs. 44 per Imperial gallon or 35 per cent *ad valorem*, whichever is higher" and "Rs. 44 per Imperial gallon or 35 per cent. *ad valorem*, whichever is higher" respectively shall be substituted;

(4) for the existing entries in the fourth, fifth and sixth columns against sub-item (b)(ii), the entries "Rs. 35 per Imperial gallon of the strength of London proof or 45 per cent. *ad valorem*, whichever is higher", "Rs. 32 per Imperial gallon of the strength of London proof or 35 per cent. *ad valorem*, whichever is higher" and "Rs. 32 per Imperial gallon of the of the strength of London proof or 35 per cent. *ad valorem*, whichever is higher" respectively shall be substituted; and

(5) proviso (a) shall be omitted;

(xxviii) in Item No. 22(6), for the existing entry in the fourth column, the entry "15 per cent. *ad valorem*" shall be substituted;

(xxix) in Item No. 24, for the existing entry in the fourth column, the entry "Rs. 17 per lb." shall substituted;

(xxx) in Item No. 24(1), for the existing entry in the fourth column, the entry "40 per cent. *ad valorem*, plus Rs. 16·50 per lb." shall be substituted;

(xxxi) in Item No. 24(2), for the existing entry in the fourth column, the entry "40 per cent. *ad valorem*, plus Rs. 41 per thousand or Rs. 16·50 per lb. whichever is higher" shall be substituted;

(xxxii) in Item No. 24(3), for the existing entries in the fourth and sixth columns, the entry "Rs. 10 per lb." shall be substituted;

(xxxiii) in Item No. 25—

(a) in the third column, the word "revenue" shall be inserted, and

(b) for the existing entry in the fourth column, the entry "10 per cent. *ad valorem*" shall be substituted;

(xxxiv) in Item No. 25(4), for the existing entries in the fourth and fifth columns, the entries "50 per cent. *ad valorem*" and "40 per cent. *ad valorem*" respectively shall be substituted;

(xxxv) in Item No. 25(5), for the existing entry in the fourth column, the entry "Rs. 30 per ton" shall be substituted;

(xxxvi) in Item No. 27, for the existing entry in the fourth column, the entry "Eighty naye paise per ton" shall be substituted;

(xxxvii) in Items Nos. 27(4)(a) and 27(4)(b), for the existing entry against each of them in the fourth column, the entry "18·75 naye paise per Imperial gallon" and "20 naye paise per Imperial gallon" shall respectively be substituted;

(xxxviii) in Item No. 27(5), in the fourth column, for the words and figures, "Three annas per Imperial gallon or 15 per cent. *ad valorem*", the words and figures "Twenty naye paise per Imperial gallon or 16 per cent. *ad valorem*" shall be substituted;

(xxxix) in Item No. 27(7)(a), for the existing entry in the fourth column, the entry "Rs. 20 per ton or 16 per cent. *ad valorem*, whichever is higher" shall substituted;

(xl) in Items Nos. 27(7)(b)(1) and 27 (7) (b) (2), for the figures "15" against each of them in the fourth column, the figures "16" shall be substituted;

(xli) in Item No 27(8), for the existing entry in the fourth column, the entry "Twenty naye paise per Imperial gallon or 16 per cent. *ad valorem* whichever is higher" shall be substituted;

(xlii) in Items Nos. 28, 28(18)(a), 28(18)(b), 28(18)(c) and 28(18)(d), for the existing entries against each of them in the fourth, fifth and sixth columns, the entries "40 per cent. *ad valorem*", "30 per cent. *ad valorem*" and "30 per cent. *ad valorem*" respectively shall be substituted;

(xliii) Item No 28(2) shall be omitted;

(xliv) in Items Nos 28(3) and 39—

(a) in the third column against each of them, the word "revenue" shall be inserted, and

(b) for the existing entries against each of them in the fourth column, the entry "5 per cent. *ad valorem*" shall be substituted;

(xlv) in Item No. 28 (4)(a), for the existing entry in the fourth column, the entry "Rs. 4·25 cwt." shall be substituted;

(xlvi) in Item No. 28(4)(b), for the existing entry in the fourth column, the entry "Rs. 5·75 per cwt." shall be substituted;

(xlvii) in Items Nos. 28(7A), 61(7), 75(6)(a), 75(7)(a), 75(7A)(a) and 75(8)(a), for the existing entries against each of them in the fourth column, the entry "65 per cent. *ad valorem*" shall be substituted;

(xlviii) in Item No. 28(8), for the words "magnesium and zinc compounds not otherwise specified" appearing in the second column, the words "magnesium and zinc compounds not otherwise specified, green copperas, (ferrous sulphate)" shall be substituted;

(xlix) in Item No. 28(9), for the existing entry in the fourth column, the entry "Rs. 8 per lb." shall be substituted;

(l) in Item No. 28(10), for the existing entry in the fourth column, the entry "25 per cent. *ad valorem* or Rs. 8 per pound of saccharine content, whichever is higher" shall be substituted;

(li) in Item No. 28(15)(a), for the existing entry in the fourth column. the entry "Rs. 3·50 per cwt." shall be substituted;

(lii) in Item No. 28(15)(b), for the existing entry in the fourth column. the entry "Rs. 5 per cwt." shall be substituted;

(liii) in Item No. 28(20), for the figures and words "31½" and "8 annas" in the fourth column against each of the sub-items, the figures and words "35" and "50 naye paise" respectively shall be substituted;

(liv) in Item No. 28(26), for the existing entries in the fourth fifth and sixth columns, the entries "26 per cent. *ad valorem*", "20 per cent. *ad valorem*" and "20 per cent. *ad valorem*" respectively shall be substituted;

(lv) in Item No. 28(32), for the existing entries in the fourth column against sub-items (a) and (b), the entries "50 per cent. *ad valorem*" and "60 per cent. *ad valorem*" respectively shall be substituted;

(lvi) in Item No. 29, for the existing entry in the fourth column, the entry "Rs. 1·75 per 100 linear feet" shall be substituted;

(lvii) in Item No. 29(1), for the existing entry in the fourth column. the entry "50 naye paise per linear foot" shall be substituted;

(lviii) in Item No. 30, for the figures "36" and "24" in the fourth and fifth columns, the figures "40" and "30" respectively shall be substituted;

(lix) in Item No. 30(2)—

(1) for the figures and words "30 per cent. *ad valorem* or Rs. 4·12 per cwt., whichever is higher, plus one-fifth of the total duty" in the fourth column against sub-item (a), the figures and words "40 per cent. *ad valorem*" shall be substituted;

(2) for the figures and words "30 per cent. *ad valorem* or Rs. 5-12 per cwt., whichever is higher, plus one-fifth of the total duty" in the fourth column against sub-item (b), the figures and words "40 per cent. *ad valorem*" shall be substituted;

(3) for the figures and words "30 per cent. *ad valorem* or Rs. 6 per cwt., whichever is higher, plus one-fifth of the total duty" in the fourth column against sub-item (c), the figures and words "40 per cent. *ad valorem*" shall be substituted;

(4) for the word and figures "Rs. 8-8" in the fourth column against sub-item (cc)(i), the word and figures "Rs. 8·50" shall be substituted;

(5) for the word and figures "Rs. 11-4" in the fourth column against sub-item (cc)(ii), the word and figures "Rs. 11·25" shall be substituted; and

(6) for the figures "24" in the fifth column against each of the sub-items (a), (b) and (c), the figures "30" shall be substituted;

(lx) in Item No. 30(3), for the existing entries in the fourth column against each of the sub-items (a), (b), (c) and (d), the entry "35 per cent. *ad valorem* plus the excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable at different rates, the highest duty" shall be substituted;

(lxi) in Item No. 30(4). for the figures "25" in the fourth column, the figures "35" shall be substituted;

(lxii) in Items Nos. 30(7) and 45(4). for the existing entries against each of them in the fourth column. the entry "15 naye paise for every length of 7½ inches or part thereof or 75 per cent. *ad valorem*, whichever is higher" shall be substituted;

(lxiii) in Item No. 30(14)(a). for the figures "34" in the fourth column, the figures "35" shall be substituted;

(lxiv) in Item No. 30(14)(b), for the figures "44" in the fourth column, the figures "45" shall be substituted;

(lxv) in Items Nos. 32. 32(1), 32(2). 37. 37(1). 37(2). 38. 40(2), 42. 50(5), 61(4), 61(6), 61(9), 61(10). 70(10). 70(11), 71(2). 71(3), 82(1) and 85(2), for the existing entries against each of them in the fourth column, the entry "100 per cent. *ad valorem*" shall be substituted;

(lxvi) in Items Nos. 34. 34(3). 61(5), 61(8), 80. 80(1), 80(2)(a), 80(2)(b), 80(2)(c), 80(2)(d), 80(2)(e), 80(2)(f), 80(2)(g), 80(4), 81, 84(a) and 85(1). for the existing entries against each of them in the fourth column. the entry "80 per cent. *ad valorem*" shall be substituted;

(lxvii) in Item No 44. for the figures "37½" in the fourth column, the figures "40" shall be substituted;

(lxviii) in Items Nos 44(4) and 44(7). for the figures "66-2/3" against each of them in the fourth column, the figures "75" shall be substituted;

(lxix) in Item No. 46. for the existing entry in the fourth column. the entry "35 per cent. *ad valorem* plus Rs. 4 per lb." shall be substituted;

(lxx) in Item No. 46(3). for the existing entry in the fourth column, the entry "12 naye paise per lb." shall be substituted;

(lxxi) in Item No. 47(6)(a). for the figures "5" and "6¼" in the fourth column against sub-items (i) and (ii). the figures "6¼" and "7½" respectively shall be substituted;

(lxxii) in Item No. 47(6)(b)(i). for the existing entry in the fourth column the entry "6¼ per cent. *ad valorem* or 10 naye paise per lb., whichever is higher" shall be substituted;

(lxxiii) in Item No. 47(6)(b)(ii). for the existing entry in the fourth column, the entry "7½ per cent. *ad valorem* or 15 naye paise per lb., whichever is higher" shall be substituted;

(lxxiv) in Items Nos. 47(8). 71(5), 72(34), 72(40)(a) and 27(40)(b), for the existing entries against each of them in the fourth column, the entry "10 per cent. *ad valorem*" shall be substituted;

(lxxv) in Item 48—

(1) for the existing entries in the fourth column against each of the sub-items (a) and (b), the entry "120 per cent. *ad valorem* plus Rs. 8·50 per lb." shall be substituted; and

(2) for the existing entry in the fourth column against sub-item (c). the entry "120 per cent. *ad valorem* plus Rs. 6·25 per lb." shall be substituted;

(lxxvi) in Items Nos. 48(1)(a) and 48(5)(b)(i) for the figure and words "7 annas per square yard" against each of them in the fourth column, the figures and words "45 naye paise per square yard" shall be substituted;

(lxxvii) in Items Nos. 48(1)(b) and 48(5)(b)(ii), for the figures and words "14 annas per square yard" against each of them in the fourth column, the figures and words "90 naye paise per square yard" shall be substituted;

(lxxviii) in Item No. 48(5)(a)(i), for the figures and words "5½ annas per square yard" in the fourth column, the figures and words "35 naye paise per square yard" shall be substituted;

(lxxix) in Item No. 48(5)(a)(ii), for the figures and words "11 annas per square yard" in the fourth column, the figures and words "70 naye paise per square yard" shall be substituted;

(lxxx) in Items No. 49(a) and 49(b), for the words "The *ad valorem* rates of duty" against each of them in the fourth column, the figures and words "1½ times the *ad valorem* rates of duty" shall be substituted;

(lxxxi) in Item No. 49(5), for the existing entry in the fourth column, the entry "50 naye paise per lb." shall be substituted;

(lxxxii) in Item No. 54(2), for the existing entry in the fourth column, the entry "35 per cent. *ad valorem* or 25 naye paise per pair, whichever is higeh" shall be substituted;

(lxxxiii) in Item No. 59(4), for the existing entry in the fourth column, the entry "75 per cent. *ad valorem* or 80 naye paise per square foot, whichever is higher" shall be substituted;

(lxxxiv) in Items Nos. 60, 60(6) and 60(7), for the existing entry in the fourth column, the entry "70 per cent. *ad valorem*" shall be substituted;

(lxxxv) in Item No. 60(8)(a), for the existing entry in the fourth column, the entry "75 per cent. *ad valorem* or Rs. 4·50 per flash, whichever is higher" shall be substituted;

(lxxxvi) in Item No. 60(8)(b), for the existing entry in the fourth column, the entry "75 per cent. *ad valorem* or Rs. 3·50 per refill or inner whichever is higher" shall be substituted;

(lxxxvii) in Items Nos. 61(2) and 62(1), for the existing entries against each of them in the fourth column, the entry "50 naye paise per ounce" shall substituted;

(lxxxviii) in Items No. 61(3) and 62(2), for the existing entries against each of them in the fourth column, the entry "Rs. 30 per tola of 180 grains fine" shall be substituted;

(lxxxix) in Item No. 63(3)—

(1) for the existing entry in the fourth column against sub-item (i), the entry "Rs. 31 per ton or 10 per cent. *ad valorem* whichever is higher" shall be substituted; and

(2) for the existing entry in the fourth column against sub-item (ii), the entry "Rs. 60 per ton or 20 per cent. *ad valorem* whichever is higher" shall be substituted;

(xc) in Item No. 63(6), for the existing entry in the fourth column against sub-item (ii), the entry "Rs. 75 per ton" shall be substituted;

(xci) in Item No. 63(8), for the existing entry in the fourth column, the entry "Rs. 5 per ton or 20 per cent. *ad valorem*, whichever is higher" shall be substituted;

(xcii) in Item No. 63(10), for the existing entries in the fourth column against sub-items (i) and (ii), the entries "Rs. 60 per ton" and "Rs. 81 per ton" respectively shall be substituted;

(xciii) in Items Nos. 63(14), 63(24), 63(34)(a), 63(34)(b) and 63 (34) (c), for the existing entries against each of them in the fourth and fifth columns, the entries "25 per cent. *ad valorem*" and "15 per cent. *ad valorem*" respectively shall be substituted;

(xciv) in Item No. 63(17), for the existing entries in the fourth column against sub-items (i) and (ii), the entries "Rs. 32 per ton or 10 per cent. *ad valorem*, whichever is higher" and "Rs. 55 per ton" respectively shall be substituted;

(xcv) in Item No. 63(20)—

(1) for the existing entry in the fourth column against sub-item (a) (1) (i), the entry "Rs. 29 per ton or 10 per cent. *ad valorem* whichever is higher" shall be substituted;

(2) for the existing entry in the fourth column, against sub-item (a). (1) (ii), the entry "Rs. 50 per ton" shall be substituted;

(3) for the existing entry in the fourth column against sub-item (a) (2) (i), the entry "Rs. 30 per ton or 10 per cent. *ad valorem*, whichever is higher" shall be substituted;

(4) for the existing entry in the fourth column against sub-item (a) (2) (ii), the entry "Rs. 60 per ton" shall be substituted;

(5) for the existing entries in the fourth column against each of the sub-items (b) (1) (i), and (b) (2) (i), the entry "Rs. 32 per ton or 10 per cent. *ad valorem*, whichever is higher" shall be substituted;

(6) for the existing entry in the fourth column against sub-item (b) (1) (ii), the entry "Rs. 55 per ton" shall be substituted; and

(7) for the existing entry in the fourth column against sub-item (b) (2) (ii), the entry "Rs. 65 per ton" shall be substituted;

(xcvi) in Item No. 63(21)—

(1) for the existing entries in the fourth column against each of the sub-item A(a) (i) and B(a) (i), the entry "Rs 10 per ton or 15 per cent. *ad valorem*, whichever is higher" shall be substituted;

(2) for the existing entries in the fourth column against each of the sub- tems A(a) (ii) and B(a) (ii), the entry "Rs. 10 per ton or 25 per cent. *ad valorem*, whichever is higher" shall be substituted;

(3) for the existing entries in the fourth column against each of the sub-items A(b) (i) and D(i), the entry "Rs. 31 per ton or 10 per cent. *ad valorem*, whichever is higher" shall be substituted;

(4) for the existing entries in the fourth column against each of the sub-items A(b) (ii) and D(ii), the entry "Rs. 60 per ton" shall be substituted;

(5) for the existing entry in the fourth column against sub-item B(b) (i), the entry "Rs. 33 per ton or 10 per cent. *ad valorem*, whichever is higher" shall be substituted;

(6) for the existing entry in the fourth column against sub-item B(b) (ii), the entry "Rs. 65 per ton" shall be substituted;

(7) for the existing entry in the fourth column against sub-item C(i), the entry "Rs. 10 per ton or 10 per cent. *ad valorem*, whichever is higher" shall be substituted;

(8) for the existing entry in the fourth column against sub-item C(ii), the entry "Rs. 10 per ton or 20 per cent *ad valorem*, whichever is higher", shall be substituted;

(9) for the existing entries in the fourth column against each of the sub-items E(i) and F(i), the entry "Rs. 30 per ton or 10 per cent. *ad valorem*, whichever is higher" shall be substituted; and

(10) for the existing entries in the fourth column against each of the sub-items E(ii) and F(ii), the entry "Rs. 80 per ton" shall be substituted;

(xcvii) in item No. 63(25), for the existing entries in the fourth column against sub-items (i) and (ii), the entries "25 per cent. *ad valorem*" and "25 per cent. *ad valorem* plus Rs. 35 per ton" respectively shall be substituted;

(xcviii) in Item No. 63(27), for the existing entries in the fourth column against sub-items (i) and (ii), the entries "Rs. 15 per ton or 15 per cent. *ad valorem*, whichever is higher" and "Rs. 42·50 per ton or 25 per cent. *ad valorem*, whichever is higher" respectively shall be substituted;

(xcix) in Item No. 63(30), for the existing entries in the fourth column against sub-items (a) and (b), the entries "35 per cent. *ad valorem*" and "45 per cent. *ad valorem*" respectively shall be substituted;

(c) in Item No 63(31), for the existing entries in the fourth column against sub-items (a) and (b), the entries "Rs 29 per ton or 10 per cent *ad valorem* whichever is higher" and "Rs. 50 per ton" respectively shall be substituted;

(ci) in Item No. 63(32), for the existing entries in the fourth column against sub-items (a) and (b), the entries "Rs. 50 per ton" and "Rs. 85 per ton" respectively shall be substituted;

(cii) in Item No. 63(33)(a), for the existing entry in the fourth column, the entry "35 per cent. *ad valorem* or 35 naye paise per gross, whichever is higher" shall be substituted;

(ciii) in Item No 63(33)(b), for the existing entry in the fourth column, the entry "50 per cent. *ad valorem*, or 60 naye paise per gross, whichever is higher" shall be substituted;

(civ) in Items Nos. 64(4)(a), 67(2), 68(2) and 70(2), for the existing entries against each of them in the fourth column, the entry "25 per cent. *ad valorem*" shall be substituted;

(cv) in Item No. 71(4), for the existing entry in the fourth column, the entry "Ten naye paise per lb." shall be substituted;

(cvi) in Item No. 71(10)(b), for the figure and words "3 annas per dozen" in the fourth column, the words and figures "Rs. 2·25 per gross" shall be substituted;

(cvii) in Item No. 71(13), for the figures and words "15 annas per foot" in the fourth column against each of the sub-items (a), (b) and (c), the words "one rupee per foot" shall be substituted;

(cvii) in Item No. 72(10), for the existing entries in the fourth and fifth columns, the entries "40 per cent. *ad valorem*" and "30 per cent. *ad valorem*" shall be substituted;

(cix) in Items Nos 72(35), 72(36) and 72(37), for the existing entries against each of them in the fourth column, the entry "95 per cent. *ad valorem*" shall be substituted;

(cx) in Item No. 73(1), for the words "and wires and cables of other metals of not more than equivalent conductivity" in the second column, the words "and wires and cables of other metals and alloys of not more that equivalent conductivity" shall be substituted;

(cxi) in Item No. 73(7)(b), for the figures "31½" in the fourth column, the figures "35" shall be substituted;

(cxii) in Item No. 73(15), for the figures "45½" in the fourth column, the figures "50" shall be substituted;

(cxiii) in Item No. 74, for the existing entries in the fourth column against sub-items (a) and (b), the entries "Rs. 20 per ton or 15 per cent. *ad valorem*, whichever is higher" and "Rs. 60 per ton or 25 per cent. *ad valorem*, whichever is higher" respectively shall be substituted;

(cxiv) in Item No. 75(2), for the existing entries in the fourth and fifth columns, the entries "47½" per cent. *ad valorem*" and "40 per cent. *ad valorem*" shall be substituted;

(cxv) in Items Nos. 75(3) and 75(13), for the existing entries against each of them in the fourth and fifth columns, the entries "32½ per cent. *ad valorem*" and "25 per cent. *ad valorem*" respectively shall be substituted;

(cxvi) in Item No. 75(5)(a), for the existing entry in .the fourth column. the entry "65 per cent. *ad valorem* or Rs. 80 per cycle whichever is higher" shall be substituted;

(cxvii) in Item No. 75(5)(b), for the existing entry in the fourth column, the entry "Rate of duty actually charged at the time for such products of the United Kingdom origin plus 10 per cent. *ad valorem*" shall be substituted;

(cxviii) in Item No. 76, for the existing entry in the fourth column, the entry "3 per cent. *ad valorem*" shall be substituted;

(cxix) in Item No. 77(3), for the existing entries in the fourth and sixth columns, the entries "30 per cent. *ad valorem*" and "20 per cent. *ad valorem*" respectively shall be subst tuted;

PART II

In the First Schedule to the Tariff Act, for Items Nos. 18, 21, 30(2) (d), 34(4), 46(4), 47, 63(2), 63(9), 63 (19) 63(29) 72(4) 73(5) and 87, the following Items shall respectively be substituted, namely:—

Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty
				The United Kingdom	A British Colony	
1	2	3	4	5	6	7
"18	Cocoa and chocolate other than confectionery—					
	(a) cocoa power . .	protetctive . .	35 per cent *ad valorem*.	. .	. .	December 31st, 1957
	(b) Chocolate other than confectionery.	Protcetive . .	50 per cent *advalorm* or Re. 1 per lbs., whichever is higher.	.	.	December 31st, 1957
21	Provisions canned, bottle or otherwise packed for retail sale, not otherwise specified.	Revenue	75 per cent *ad valorm*		.	. .
30(2)	(d) Paints, other sorts, coloured, moist.	Preferential revenue	40 per cent *ad valorem* plus the excise duty for the time being leviable on like articles if produced or manufactured in India. and where such duty is leviable at different rates, the highest duty.	30 per cent *ad valorem* plus the excise duty for the time being leviable on like articles if produced or manufactured in India and where such duty is leviable at different rates, the highest duty.		

Item No.	Name of article	Nature of duty	Rate of duty			Duration of protective rates of duty
34(4)	Matches, undipped splints, and veneers—					
	(a) Matches	Protective	One naya paisa for every 10 matches or part thereof.	..	..	..
	(b) Undipped splints such as are ordinarily used for match-making	Protective	50 naye paise per lb.	.	.	..
	(c) Veneers such as are ordinarily used for making boxes including boxes and parts of boxes made of such veneers.	Protective	60 naye paise per lb.	..	..	..
6(4)	Textile materials, the following—					
	(a) Raw hemp	Revenue	25 per cent *ad valorem*	..	..	..
	(b) Raw flax jute and all other unmanufactured Textile materials not otherwise specified	Revenue	35 per cent *ad valorem*.	..	..	..
47	Silk yarn including thrown silk warps and yarn spun from silk waste or noils, but excluding sewing thread—					
	(a) Silk yarn including thrown silk warps.	Protective	35 per cent *ad valorem* plus Rs. 4 per lb.	..	..	December 31st, 1958
	(b) Yarn spun from silk waste.	Protective	35 per cent *ad valorem* plus Rs. 5·25 per lb.	..	..	December 31st, 1958.
	(c) Yarn spun from noils	Protective	35 per cent *ad valorem*.	..	..	December 31st, 1958

1	2	2	4	5	6	7
63(2)	Iron or steel angle, channel tee, flat [other than alloy, tool or special steel specified in Item No. 63 (30)] beam, zed, trough and piling—					
	(*a*) not fabricated—					
	(*i*) of British manufacture	Revenue . .	Rs. 22 per ton or 10 per cent *ad volerem*, whichever is higher.	..	..	..
	[(*ii*) not of British manufacture	Revenue . .	Rs. 65 per ton .	.. ..	..	..
	(*b*) fabricated] . .	Revenue . .	Rs. 60 per ton .	..	..	..
63(9)	Iron or steel structures, fabricated partially or wholly, not otherwise specified, if made mainly or wholly or iron or steel bars, sections, plates or sheets, for the construction of buildings, bridges, tanks, well crubs, trestles, towers and similar structures, or for parts thereof but not including builders' hardware of any of the articles specified in Items Nos. 72, 72(3), 74(1), 75(3), 75(4), or 76(1)	Revenue . .	Rs. 60 per ton .	..	..	..

63(19)	Iron or seteel plates excluding cast iron plates—					
	(a) not fabricated—					
	(i) of British manufacture	Revenue . .	Rs. 15 per ton or 10 per cent *ad valorem*, whichever is higher.	..	..	..
	(ii) not of British manufacture.	Revenue . .	Rs. 40 per ton .	..	..	..
	(b) fabricated .	Revenue . .	Rs. 60 per ton .	..	..	..
63(29)	Enamelled ironware, the following, namely:—					
	(a) Sign-boards .	Revenue . .	50 per cent *ad valorem.*	..	..	..
	(b) Domestic hollow-ware, the following, namely, basins, bowls, dishes plates and thalas, includ ing rice-cups, rice-bowls and rice-plates.	Revenue . .	50 per cent *ad valorem.*	..	..	..
72(4)	Passenger lifts and escalators, and component parts and acces sories thereof—					
	(a) passenger lifts and com ponent parts and acces sories thereof.	Revenue . .	25 per cent *ad valorem.*	..	..	..
	(a) escalators and component parts and accessories there of.	Revenue . .	35 per cent *ad valorem.*	..	..	..

1	2	3	4	6	6	7
73(5)	Electrical earthenware and procelain, the following namely:—					
	(a) Insulators, Shackle, Sinclair, Cordeaux or Pin-type, not otherwise specified.	Revenue . .	60 per cent *ad valorem.*	..	..	..
	(b) Two-way cleats . .	Revenue . .	60 per cent *ad valorem.*	..	.	..
	(c) Spacing insulators .	Revenue . .	60 per cent *ad valorem.*	..	..	..
	(d) Ceiling roses . .	Revenue . .	60 per cent *ad valorem.*	..	..	..
	(e) Joint-box cut-outs .	Revenue . .	60 per cent *ad valorem.*	..	..	..
87	All other articles not otherwise specified.	Revenue . .	40 per cent *ad valorem.*	..	..	..

PART III

In the First Schedule to the Tariff Act, after Item No. 82(4), the following Item shall be inserted:—

"82(5)	Adhesive tape, all sorts, including cellulose adhesive tape and paper-backed adhesive tape.	Revenue . .	75 per cent *ad valorem.*	..	..	..

PART IV

For the Second Schedule to the Tariff Act, the following shall be substituted namely:—

"THE SECOND SCHEDULE—Export Tariff

Item No.	Name of article	Rate of duty
1	Raw Jute (including Bimlipatam jute and mesta fibre)—	
	(1) Cuttings	Rs. 4·50 per bale of 400 lbs.
	(2) All other descriptions . . .	Rs. 15 per bale of 400 lbs.
2	Jute Manufactures (including manufactures of Bimilipatam jute or of mesta fibre), when not in actual use as coverings, recepatacles or bindings, for other goods—	
	(i) Sacking (Cloth bags, twist, yarn, rope and twine) .	Rs 350 per ton of 2,240 lbs.
	(ii) Hessians	Rs. 1,500 per ton of 2,240 lbs.
	(iii) All other descriptions of Jute Manufactures not otherwise specified	Rs. 80 per ton of 2,240 lbs.
3	Raw Cotton	Rs. 400 per bale of 400 lbs.
3 (1)	Cotton waste (all sorts)	50 per cent *ad valorem.*
4	Rice husked or unhusked, including rice flour but excluding rice bran and rice dust.	20 per cent *ad valorem.*
5	Tea—	
	When the price of tea :—	
	(i) does not exceed Rs. 2·50 per lb.	25 naye paise per lb.
	(ii) exceeds Rs, 2·50 per lb. but does not exceed Rs. 3·25 per lb.	38 naye paise per lb.

Item No.	Neme of article	Rate of d
	(*iii*) exceeds Rs. 3·25 per lb. but does not exceed Rs. 4·00 per lb.	50 naye paise per lb.
	(*iv*) exceeds Rs. 4·00 per lb. but does not exceed Rs. 4·75 per lb.	63 naye paise per lb.
	(*v*) esceeds Rs. 4·75 per lb. . .	75 naye paise per lb.
	Explanation—"Price of tea" means the price which the Central Government may, having regard to world prices of tea, fix for this purpose from time to time by notification in the Official Gazette.	
	Cloth—	25 per cent *ad valorem*
	"Cloth" means cloth of any description manufactured either wholly from cotton or partly from cotton and partly from any other substance and containing not less than ten per cent of cotton by weight, but does not include—	
	(*i*) Cloth of handloom manufacture ;	
	(*ii*) Cloth in which the average count of yarn, determined in the manner herein described, is 17s or finer.	
	Explanation:	
	(*a*) "Count" mneans count of grey yarn ;	
	(*b*) For the purpose of determining the average count of yarn, the following rules shall apply, namely:—	
	(*i*) yarn used in the borders or selvedges shall be ignored ,	
	(*ii*) for multiple-fold yarn, the count of the basic single yarn shall be taken and the number of ends per inch in the reed or the number	

Item No.	Name of article	Rate of duty
	of picks per inch, as the case may be, shall be multiplied by the number of plies in the yarn,	
	(*iii*) the average count shall be obtained by applying the following formula, namely :—	
	"(Count of warp × number of ends per inch in the reed)+(count of weft × number of picks per inch). / (Number of ends per inch in the reed)+(Number of picks per inch) the result being bounded off, wherever necessary, by treating any fraction which is one-half or more as one, and disregarding any fraction which is less than one-half";	
	(*iii*) Furnishing fabrics, hosiery, apparel, blankets, bed-covers, towels, dusters and napkins	
7	Mangenese ore	25 per cent *ad valorem.*
8	Cigarettes, Cigars and Cheroots . .	15 per cent *ad valorem.*
9	Mustard Oil	50 naye paise per lb.
9 (1)	Groundnut Oil	Rs. 350 per ton of 2,240 lbs.
10 (*a*)	Iron and steel, other than sheets, the following :— n gots; blooms; billets ; tinbars ; heet bars and slabs, steel castings, eavy structurels (including heavy ections of joists, channels and ngles), light structurals (including g h t sections of joists, channels ngles, tees and light rails of 30 lbs. and under) ; tyres, wheels and axles ; shell steel ingots, blooms, billets and bars ; heavy rails	45 per cent *ad valorem.*

Item No.	Name of article	Rate of duty
	(over 30 lbs.); fish plates; dog spikes ; chair-spikes ; screw-spikes; tinplate; plates terneplate; plates (ship-building); plates (ordinary mild steel and tensile) ; plates (bullet proof) ; bars (including flats, squares, rounds, hexagons and rods) ; bolts (including fish bolts), nuts and rivets ; black or galvanised wire, whether plain or barbed; wire nails; wire (miscellaneous) ; hoops and strips ; spring steel in any unfabricated or semi-fabricated form ; tool steel in any unfabricated or semi-fabricated form ; steel pressure pipes ; tubes and fittings, coated or uncoated, excluding electrical conduit pipes ; cast iron pressure pipes and specials ; pressure pipes made of any substance reinforced with iron and steel ; and wire ropes.	
10 (*b*)	Iron and steel black sheets and galvanised sheets (plain and corrugated).	30 per cent *ad valorem*.
11	Black pepper	30 per cent *ad valorem*.
12	Raw wool	30 per cent *ad valorem*.
13	Groundnuts . —.	Rs. 300 per ton of 2,240 lbs.
14	Oilseeds, not otherwise specified . .	Rs. 150 per ton of 2,240 lbs.
15	Vegetable Oils, not otherwise specified .	Rs. 300 per ton of 2,240 lbs.
16	Mercury	Rs. 300 per flask of 75 lbs.
17	Coffee	Rs. 62·50 per cwt.
18	Groundnut oilcake	Rs. 230 per ton of 2240 lbs.
19	De-oiled groundnut meal (solvent extracted variety containing less than 1 per cent oil).	Rs. 175 per ton of 2,240 lbs.
20	Decorticated cotton seed oilcake . .	Rs. 100 per ton of 2,240 lbs.
21	All oilcakes other than the following, nemaly, groundnut, copra, mowha, tobacco seed, neem seed, and decorticated cotton seed oil cakes.	Rs. 50 per ton of 2,240 lbs."

A

BILL

to give effect to the financial proposals of the Central Government for the financial year 1957-58

(As passed by the Houses of Parliament)

THE WEALTH-TAX ACT, 1957

ARRANGEMENT OF CLAUSES

CHAPTER I

PRELIMINARY

CLAUSES

CHAPTER II

CHARGE OF WEALTH-TAX AND ASSETS SUBJECT TO SUCH CHARGE

CHAPTER III

WEALTH-TAX AUTHORITIES

CHAPTER IV

ASSESSMENT

CHAPTER V

LIABILITY TO ASSESSMENT IN SPECIAL CASES

CHAPTER VI

APPEALS, REVISIONS AND REFERENCES

CHAPTER VII

PAYMENT AND RECOVERY OF WEALTH-TAX

CHAPTER VIII

MISCELLANEOUS

THE WEALTH-TAX ACT, 1957

An Act to provide for the levy of wealth-tax

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. Short title, extent and commencement.—(1) This Act may be called the Wealth-tax Act, 1957.

(2) It extends to the whole of India.

(3) It shall be deemed to have come into force on the 1st day of April, 1957.

2. Definitions.—In this Act, unless the context otherwise requires,—

(a) "Appellate Assistant Commissioner" means a person empowered to exercise the functions of an Appellate Assistant Commissioner of Wealth-tax under section 9;

(b) "Appellate Tribunal" means the Appellate Tribunal appointed under section 5A of the Income-tax Act;

(c) "assessee" means a person by whom wealth-tax or any other sum of money is payable under this Act, and includes every person in respect of whom any proceedings under this Act has been taken for the assessment of the value of his assets;

(d) "assessment year" means the year for which tax is chargeable under section 3;

(e) "assets" includes property of every description, movable or immovable, but does not include—

(i) agricultural land and growing crops, grass or standing trees on such land;

(ii) any building owned or occupied by a cultivator or receiver of rent or revenue out of agricultural land:

Provided that the building is on or in the immediate vicinity of the land and is a building which the cultivator or the receiver of rent or revenue by reason of his connection with the land requires as a dwelling-house or a store-house or an outhouse;

(iii) animals;

(iv) a right to any annuity in any case where the terms and conditions relating thereto preclude the commutation of any portion thereof into a lump sum grant;

(v) any interest in property where the interest is available to an assessee for a period not exceeding six years;

(f) "Board" means the Central Board of Revenue constituted under the Central Board of Revenue Act, 1924 (4 of 1924).

(g) "Commissioner" means a person empowered to exercise the functions of a Commissioner of Wealth-tax under section 10;

(h) "company" means a company as defined in section 3 of the Companies Act, 1956 (1 of 1956), and includes a foreign company within the meaning of section 591 of that Act;

(i) "executor" means an executor or administrator of the estate of a deceased person;

(j) "Income-tax Act" means the Indian Income-tax Act, 1922 (1 of 1922);

(k) "Income-tax Officer" means a person appointed to be an Income-tax Officer under the Income-tax Act;

(l) "Inspecting Assistant Commissioner of Wealth-tax" means a person empowered to exercise the functions of an Inspecting Assistant Commissioner of Wealth-tax under section 11;

(m) "net wealth" means the amount by which the aggregate value computed in accordance with the provisions of this Act of all the assets, wherever located, belonging to the assessee on the valuation date, including assets required to be included in his net wealth as on that date under this Act is in excess of the aggregate value of all the debts owned by the assessee on the valuation date other than,—

(i) debts which under section 6 are not to be taken into account; and

(ii) debts which are secured on, or which have been incurred in relation to, any asset in respect of which wealth-tax is not payable under this Act;

(n) "prescribed" means prescribed by rules made under this Act;

(o) "principal officer", used with reference to a company, means the secretary, manager, managing agent or managing director of the company, and includes any person connected with the management of the affairs of the company upon whom the Wealth-tax Officer has served a notice of his intention of treating him as the principal officer thereof;

(p) "Ruler" means a Ruler as defined in clause (22) of article 366 of the Constitution;

(q) "valuation date", in relation to any year for which an assessment is to be made under this Act, means the last day of the previous year as defined in clause (11) of section 2 of the Income-tax Act if an assessment were to be made under that Act for that year:

Provided that where in the case of an assessee there are different previous years under the Income-tax Act for different sources of income, the valuation date for the purposes of this Act shall be the last day of the last of the previous years aforesaid;

(r) "valuer" means a valuer appointed under section 4 of the Estate Duty Act, 1953 (34 of 1953);

(s) "Wealth-tax Officer" means the Income-tax Officer authorised to perform the functions of a Wealth-tax Officer under section 8.

CHAPTER II

CHARGE OF WEALTH-TAX AND ASSETS SUBJECT TO SUCH CHARGE

3. Charge of wealth-tax.—Subject to the other provisions contained in this Act, there shall be charged for every financial year commencing on and from the first day of April, 1957, a tax (hereinafter referred to as wealth-tax) in respect of the net wealth on the corresponding valuation

date of every individual, Hindu undivided family and company at the rate or rates specified in the Schedule.

4. Net wealth to include certain assets.—(1) In computing the net wealth of an individual, there shall be included, as belonging to him—

(a) the value of assets which on the valuation date are held—

(i) by his wife to whom such assets have been transferred by the individual, directly or indirectly, otherwise than for adequate consideration or in connection with an agreement to live separately, or

(ii) by a minor child not being a married daughter to whom such assets have been transferred by the individual otherwise than for adequate consideration, or

(iii) by a person or association of persons to whom such assets have been transferred by the individual otherwise than for adequate consideration for the benefit of the individual or his wife or minor child, or

(iv) by a person or association of persons to whom such assets have been transferred by the individual otherwise than under an irrevocable transfer,

whether the assets referred to in any of the sub-clauses aforesaid are held in the form in which they were transferred or otherwise;

(b) where the assessee is a partner in a firm or a member of an association of persons, the value of his interest in the firm or association determined in the prescribed manner.

(2) In making any rules with reference to the valuation of the interest referred to in clause (b) of sub-section (1), the Board shall have regard to the law for the time being in force relating to the manner in which accounts are to be settled between partners of a firm and members of an association on the dissolution of a firm or association, as the case may be.

(3) Where the value of any assets is to be included in the net wealth of an assessee in accordance with clause (a) of sub-section (1), there shall be deducted from such value any debts owing on the valuation date by the transfree mentioned in that sub-section in so far as such debts are referable to the assets.

(4) Nothing contained in clause (a) of sub-section (1) shall apply to any such transfer as is referred to therein made by an individual before the 1st day of April, 1956, and the value of any assets so transferred shall not be included in the computation of his net wealth.

(5) The value of any assets transferred under an irrevocable transfer shall be liable to be included in computing the net wealth of the transfer or as and when the power to revoke arises to him.

Explanation.—For the purposes of this section the expression "transfer" includes any disposition, trust, covenant, agreement or arrangement, and "and irrevocable transfer" includes a transfer of assets which, by the terms of the instrument effecting it, is not revocable for a period exceeding six years or during the lifetime of the transferee

5. Exemptions in respect of certain assets.—(1) Wealth-tax shall not be payable by an assessee in respect of the following assets, and such assets shall not be included in the net wealth of the assessee—

(i) any property held by him under trust or other legal obligation for any public purpose of a charitable or religious nature in India;

(ii) the interest of the assessee in the coparcenary property of any Hindu undivided family of which he is a member;

(iii) any one building in the occupation of a Ruler declared by the Central Government as his official residence under Paragraph 13 of the Merged States (Taxation Concessions) Order, 1949, or paragraph 15 of the Part B States (Taxation Concessions) Order, 1950;

(iv) one house belonging to the assessee exclusively used by him for residential purposes and situate in any place with a population not exceeding ten thousand and which is more than five miles distant from any area for which there is a municipality the population whereof exceeds ten thousand;

(v) the rights under any patent or copyright belonging to the assessee:

Provided that they are not held by him as assets of a business, profession or vocation and no income or benefit accrues to him therefrom;

(vi) the right or interest of the assessee in any policy of insurance before the moneys covered by the policies become due and payable to the assessee;

(vii) the right of the assessee to receive a pension or other life annuity in respect of past services under an employer;

(viii) furniture, household utensils, wearing apparel, provisions and other articles intended for the personal or household use of the assessee;

(ix) the tools and implements used by the assessee for the raising of agricultural produce;

Explanation.—For the purposes of this clause, tools and implements do not include any plant or machinery used in any tea or other plantation in connection with the processing of any agricultural produce or in the manufacture of any article from such produce;

(x) the tools and instruments necessary to enable the assesee to carry on his profession or vocation, subject to a maximum of twenty thousand rupees in value;

(xi) instruments and other apparatus used by the assessee for purposes of scientific research;

(xii) any works of art, archaeological, scientific or art collections, books or manuscripts belonging to the assessee and not intended for sale;

(xiii) any drawings, paintings, photographs, prints and any other heirloom not falling within clause (xii) and not intended for sale, but including jewellery;

(xiv) jewellery in the possession of any Ruler, not being his personal property, which has been recognised before the commencement of this Act by the Central Government as his heirloom or, where no such recognition exists, which the Board may, subject to any rules that may be made by the Central Government in this behalf, recognise as his heirloom at the time of his first assessment to wealth-tax under this Act;

(xv) jewellery belonging to the assessee, subject to a maximum of twenty-five thousand rupees in value;

(xvi) ten year treasury savings deposit certificates, fifteen year annuity certificates, deposits in post office savings banks, post office cash certificates and post office national savings certificates held by the assessee;

(xvii) the amount standing to the credit of an assessee, being a salaried employee, in any provident fund maintained by his employer to which the Provident Funds Act, 1925 (19 of 1925), applies or which is a recognised provident fund within the meaning of Chapter IXA of the Income-tax Act;

(xviii) the property received by an assessee from Government in pursuance of any gallantry or merit award instituted or approved by the Central Government;

(xix) the value of any shares held by the assessee in any other company in any case where the assessee is a company;

(xx) the value of any shares held by the assessee in any company referred to in clause (d) of section 45, if on the relevant valuation date the provisions of this Act are not applicable to the company by reason of the provisions contained in that section;

(xxi) that portion of the net wealth of a company established with the object of carrying on an industrial undertaking in India within the meaning of the *Explanation* to clause (d) of section 45, as is employed by it in a new and separate unit set up after the commencement of this Act by way of substantial expansion of its undertaking:

Provided that—

(a) separate accounts are maintained in respect of such unit; and

(b) the conditions specified in clause (d) of section 45 are complied with in relation to the establishment of such unit:

Provided further that this exemption shall apply to any such company only for a period of five successive assessment years commencing with the assessment year next following the date on which the company commences operations for the establishment of such unit.

(2) Wealth-tax shall not be payable by an assessee in respect of any deposit made by the assessee with the Government or in any security of the Government or of a local authority not specified in clause (xvi) of sub-section (1) which the Central Government may, by notification in the Official Gazette, exempt from wealth-tax; but the value of any deposit or security so exempted shall be included in computing the net wealth of the assessee.

(3) Notwithstanding anything contained in sub-section (1), wealth-tax shall be payable by an assessee in respect of the assets referred to in clause (xvi), clause (xix), clause (xx) of sub-section (1) or in sub-section (2) for any assessment year unless the assets are held by him—

(a) in the case of shares in a company, from the date on which the shares were first issued by the company, or for a period of at least six months ending with the relevant valuation date, whichever is shorter; and

(b) in the case of other assets, for a period of at least six months ending with the relevant valuation date.

6. Exclusion of assets and debts outside India.—In computing the net wealth of an individual or a Hindu undivided family not resident in India or resident but not ordinarily resident in India, or of a company not resident in India during the year ending of the valuation date—

(i) the value of the assets and debts located outside India; and

(ii) the value of the assets in India represented by any loans or debts owing to the assessee in any case where the interest, if any, payable on such loans or debts is not to be included in the total income of the assessee under sub-section (3) of section 4 of the Income-tax Act;

shall not be taken into account.

Explanation 1.—An individual or a Hindu undivided family shall be deemed to be not resident in India or resident but not ordinarily resident in India during the year ending on the valuation date if in respect of that year the individual or the Hindu undivided family, as the case may be, is not resident in India or resident but not ordinarily resident in India within the meaning of the Income-tax Act.

Explanation 2.—A company shall be deemed to be resident in India during the year ending on the valuation date, if—

(a) it is a company formed and registered under the Companies Act, 1956 (1 of 1956), or is an existing company within the meaning of that Act; or

(b) during that year the control and management of its affairs is situated wholly in India.

7. **Value of assets how to be determined.**—(1) The value of any asset, other than cash, for the purposes of this Act, shall be estimated to be the price which in the opinion of the Wealth-tax Officer it would fetch if sold in the open market on the valuation date.

(2) Notwithstanding anything contained in sub-section (1),—

(a) where the assessee is carrying on a business for which accounts are maintained by him regularly, the Wealth-tax Officer may, instead of determining separately the value of each asset held by the assessee in such business, determine the net value of the assets of the business as a whole having regard to the balance-sheet of such business as on the valuation date and making such adjustments therein as the circumstances of the case may require;

(b) where the assessee carrying on the business, is a company not resident in India and a computation in accordance with clause (a) cannot be made by reason of the absence of any separate balance-sheet drawn up for the affairs of such business in India, the Wealth-tax Officer may take the net value of the assets of the business in India to be that proportion of the net value of the assets of the business as a whole wherever carried on determined as aforesaid as the income arising from the business in India during the year ending with the valuation date bears to the aggregate income from the business wherever arising during that year.

CHAPTER III

WEALTH-TAX AUTHORITIES

8. Wealth-tax Officers.—Every Income-tax Officer having jurisdiction or exercising powers as such under the Income-tax Act in respect of any individual, Hindu undivided family or company shall perform the functions of a Wealth-tax Officer under this Act in respect of such individual, Hindu undivided family or company.

9. Appellate Assistant Commissioners of Wealth-tax.—The Board may empower as many persons as it thinks fit to exercise under this Act the functions of an Appellate Assistant Commissioner of Wealth-tax, and on being so empowered the Appellate Assistant Commissioners shall perform their functions in respect of such areas or such persons or such classes of persons as the Board may direct, and where such directions have assigned to two or more Appellate Assistant Commissioners the same area or the same persons or the same classes of persons they shall perform their functions in accordan e with such orders as the Board may make for the distribution and allocation of the work to be performed.

10. Commissioners of Wealth-tax.—The Board may empower as many persons as it thinks fit to exercise under this Act the functions of a Commissioner of Wealth-tax, and on being so empowered the Commissioners of Wealth-tax shall perform their functions in respect of such areas or such persons or such classes of persons as the Board may direct and where such directions have assigned to two or more Commissioners the same persons or the same classes of persons they shall perform their have concurrent jurisdiction subject to such orders, if any, as the Board may make for the distribution and allocation of the work to be performed.

11. Inspecting Assistant Commissioners of Wealth-tax.—The Commissioner of Wealth-tax may empower as many persons as he thinks fit to exercise under this Act the functions of an Inspecting Assistant Commissioner of Wealth-tax, and on being so empowered the Inspecting Assistant Commissioners of Wealth-tax shall perform their functions in respect of such areas or such persons or such classes of persons as the Commissioner may direct, and where such directions have assigned to two or more Inspecting Assistant Commissioners the same area or the same persons or the same classes of persons they shall perform their fun tions in accordance with such orders as the Commissioner may make for the distribution and allocation of the work to be performed.

12. Wealth-tax Officers to be subordinate to the Commissioner of Wealth-tax and the Inspecting Assistant Commissioner of Wealth-tax.—The Wealth-tax Officers shall be subordinate to the Commissioner of Wealth-tax and the Inspecting Assistant Commissioner of Wealth-tax within whose jurisdiction they perform their functions.

13. Wealth-tax authorities to follow orders, etc., of the Board.—All officers and other persons employed in the execution of this Act shall observe and follow the orders, instructions and directions of the Board:

Provided that no orders, instructions or directions shall be given by the Board so as to interfere with the discretion of the Appellate Assistant Commissioner of Wealth-tax in the exercise of his appellate function.

CHAPTER IV

ASSESSMENT

14. Return of wealth.—(1) Every person whose net wealth on the valuation date was of such an amount as to render him liable to wealth-tax under this Act shall, before the thirtieth day of June of the corresponding assessment year, furnish to the Wealth-tax Officer a return in the prescribed form and verified in the prescribed manner setting forth his net wealth as on that valuation date:

Provided that for the assessment year commencing on the first day of April, 1957, the return may be made at any time before the thirty-first day of December, 1957.

(2) If the Wealth-tax Officer is of the opinion that the net wealth of any person is of such an amount as to render him liable to wealth-tax under this Act, then, notwithstanding anything contained in sub-section (1), he may serve a notice upon such person requiring him to furnish within such period not being less than thirty days, as may be specified in the notice, a return in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be required in the notice, the net wealth of such person as on the valuation date mentioned in the notice.

(3) The Wealth-tax Officer may, if he is satisfied that it is necessary so to do, extend the date for the delivery of the return under this section.

15. Return after due date and amendment of return.—If any person has not furnished a return within the time allowed under section 14, or having furnished a return under that section discovers any omission or a wrong statement therein, he may furnish a return or a revised return, as the case may be, at any time before the assessment is made.

16. Assessment.—(1) If the Wealth-tax Officer is satisfied without requiring the presence of the assessee or production by him of any evidence that a return made under section 14 is complete, he shall assess the net wealth of the assessee and determine the amount payable by him as wealth-tax.

(2) If the Wealth-tax Officer is not so satisfied, he shall serve a notice on the assessee either to attend in person at his office on a date to be specified in the notice or to produce or cause to be produced on that date any evidence on which the assessee may rely in support of his return.

(3) The Wealth-tax Officer, after hearing such evidence as the person may produce and such other evidence as he may require on any specified points, shall, by order in writing, assess the net wealth of the assessee and determine the amount payable by him as wealth-tax.

(4) For the purpose of making an assessment under this Act the Wealth-tax Officer may serve, on any person who has made a return under sub-section (1) of section 14 or upon whom a notice has been served under sub-section (2) of that section, a notice requiring him to produce or cause to be produced on a date specified in the notice such accounts, records or other documents as the Wealth-tax Officer may require.

(5) If any person fails to make a return in response to any notice under sub-section (2) of section 14, or fails to comply with the terms of any notice issued under sub-section (2) or sub-section (4), the Wealth-tax Officer shall make the assessment to the best of his judgment and determine the amount payable by the person as wealth-tax on the basis of such assessment.

17. Wealth escaping assessment.—If the Wealth-tax Officer—

(a) has reason to believe that by reason of the omission or failure on the part of the assessee to make a return of his net wealth under section 14 for any assessment year or to disclose fully and truly all material facts necessary for his assessment for that year, the net wealth chargeable to tax has escaped assessment for that year, whether by reason of under-assessment or assessment at too low a rate or otherwise; or

(b) has, in consequence of any information in his possession, reason to believe, notwithstanding that there has been no such omission or failure as is referred to in clause (a), that the net

wealth chargeable to tax has escaped assessment for any year, whether by reason of under-assessment or assessment at too low a rate or otherwise;

he may, in cases falling under clause (a) at any time within eight years and in cases falling under clause (b) at any time within four years of the end of that assessment year, serve on the assessee a notice containing all or any of the requirements which may be included in a notice under sub-section (2) of section 14, and may proceed to assess or reassess such net wealth, and the provisions of this Act shall so far as may be, apply as if the notice had issued under that sub-section.

18. Penalty for concealment.—(1) If the Wealth-tax Officer, Appellate Assistant Commissioner, Commissioner or Appellate Tribunal in the course of any proceedings under this Act is satisfied that any person—

(a) has without reasonable cause failed to furnish the return of his net wealth which he is required to furnish under sub-section (1) or sub-section (2) of section 14 or section 17 or has without reasonable cause failed to furnish it within the time allowed and in the manner required; or

(b) has without reasonable cause failed to comply with a notice under sub-section (2) or sub-section (4) of section 16; or

(c) has concealed the particulars of his assets or deliberately furnished inaccurate particulars of his assets or debts;

he or it may, by order in writing direct that such person shall pay by way of penalty—

(i) in the case referred to in clause (a), in addition to the amount of wealth-tax payable by him, a sum not exceeding one-and-a-half times the amount of such tax, and

(ii) in the case referred to in clause (b) or clause (c), in addition to the amount of wealth-tax payable by him, a sum not exceeding one-and-a-half times the amount of the tax, if any, which would have been avoided if the net wealth returned by such person had been accepted as correct.

(2) No order shall be made under sub-section (1) unless the person concerned has been given a reasonable opportunity of being heard.

(3) No prosecution for an offence under this Act shall be instituted in respect of the same facts in relation to which a penalty has been imposed under this section.

(4) The Wealth-tax Officer shall not impose any penalty under this section without the previous approval of the Inspecting Assistant Commissioner of Wealth- tax.

CHAPTER V

LIABILITY TO ASSESSMENT IN SPECIAL CASES

19. Tax of deceased person payable by legal representative.—(1) Where a person dies, his executor, administrator or other legal representative shall be liable to pay out of the estate of the deceased person, to the extent to which the estate is capable of meeting the charge, the wealth-tax assessed as payable by such person, or any sum, which would have been payable by him under this Act if he had not died.

(2) Where a person dies without having furnished a return under the provisions of section 14 or after having furnished a return which the Wealth-tax Officer has reason to believe to be incorrect or incomplete, the Wealth-tax Officer may make an assessment of the net wealth of such

person and determine the wealth-tax payable by the person on the basis of such assessment, and for this purpose may, by the issue of the appropriate notice which would have had to be served upon the deceased person if he had survived, require from the executor administrator or other legal representative of the deceased person any accounts, documents or other evidence which might under the provisions of section 16 have been required from the deceased person.

(3) The provisions of sections 14, 15 and 17 shall apply to an executor, administrator or other legal representative as they apply to any person referred to in those sections.

20. Assessment after partition of a Hindu undivided family.—(1) Where, at the time of making an assessment, it is brought to the notice of the Wealth-tax Officer that a partition has taken place among the members of a Hindu undivided family, and the Wealth-tax Officer, after inquiry, is satisfied that the joint family property has been partitioned as a whole among the various members or groups of members in definite portions, he shall record an order to that effect and shall make assessments on the net wealth of the undivided family as such for the assessment year or years, including the year relevant to the previous year in which the partition has taken place, if the partition has taken place on the last day of the previous year and each member or group of members shall be liable jointly and severally for the tax assessed on the net wealth of the joint family as such.

(2) Where the Wealth-tax Officer is not so satisfied, he may, by order, declare that such family shall be deemed for the purposes of this Act to continue to be a Hindu undivided family liable to be assessed as such.

21. Assessment when assets are held by courts of wards, administrators general, etc.—(1) In the case of assets chargeable to tax under this Act which are held by a court of wards or an administrator-general or an official trustee or any receiver or manager or any other person, by whatever name called, appointed under any order of a court to manage property on behalf of another, or any trustee appointed under a trust declared by a duly executed instrument in writing, whether testamentary or otherwise (including a trustee under a valid deed of wakf), the wealth-tax shall be levied upon and recoverable from the court of wards, administrator-general, official trustee, receiver, manager or trustee, as the case may be, in the like manner and to the same extent as it would be leviable upon and recoverable from the person on whose behalf the assets are held, and the provisions of this Act shall apply accordingly.

(2) Nothing contained in sub-section(1) shall prevent either the direct assessment of the person on whose behalf the assets above referred to are held, or the recovery from such person of the tax payable in respect of such assets.

(3) Where the guardian or trustee of any person being a minor, lunatic or idiot (all of which persons are hereinafter in this sub-section included in the term "beneficiary") holds any assets on behalf of such beneficiary, the tax under this Act shall be levied upon and recoverable from such guardian or trustee, as the case may be, in the like manner and to the same extent as it would be leviable upon and recoverable from any such beneficiary if of full age or sound mind and in direct ownership of such assets.

(4) Notwithstanding anything contained in this section, where the shares of the persons on whose behalf any such assets are held are

indeterminate or unknown, the wealth-tax may be levied upon and recovered from the court of wards, administrator-general official trustee, receiver, manager or other person aforesaid as if the persons on whose behalf the assets are held were an individual for the purposes of this Act.

22. Assessment of persons residing outside India.—(1) Where the person liable to tax under this Act resides outside India, the tax may be levied upon and recovered from his agent, and the agent shall be deemed to be, for all the purposes of this Act, the assessee in respect of such tax.

(2) Any person employed by or on behalf of a person referred to in sub-section (1) or through whom such person is in the receipt of any income, profits or gains, or who is in possession or has custody of any asset of such person and upon whom the Wealth-tax Officer has caused a notice to be served of his intention of treating him as the agent of such person shall, for the purposes of sub-section (1), be deemed to be the agent of such person:

Provided that—

(1) no person shall be deemed to be the agent of another under this section unless he has had an opportunity of being heard by the Wealth-tax Officer as to his being treated as such; and

(2) no agent shall be liable to pay any amount by way of wealth-tax under sub-section (1) in excess of the amount belonging to the person residing outside India and in the hands of the agent at the time the notice of demand is served on him.

CHAPTER VI

APPEALS, REVISIONS AND REFERENCES

23. Appeal to the Appellate Assistant Commissioner from orders of Wealth-tax Officers.—(1) Any person,—

(a) objecting to the amount of his net wealth determined under this Act; or

(b) objecting to the amount of wealth-tax determined as payable by him under this Act; or

(c) denying his liability to be assessed under this Act; or

(d) objecting to any penalty imposed by the Wealth-tax Officer under section 18; or

(e) objecting to any order of the Wealth-tax Officer under sub-section (2) of section 20; or

(f) objecting to any penalty imposed by the Wealth-tax Officer under the provisions of sub-section (1) of section 46 of the Income-tax Act as applied under section 32 for the purposes of wealth-tax;

may appeal to the Appellate Assistant Commissioner against the assessment or order, as the case may be, in the prescribed form and verified in the prescribed manner.

(2) An appeal shall be presented within thirty days of the receipt of the notice of demand relating to the assessment or penalty objected to, or the date on which any order objected to, is communicated to him, but the Appellate Assistant Commissioner may admit an appeal after the expiration of the period aforesaid if he is satisfied that the appellant had sufficient cause for not presenting the appeal within that period.

(3) The Appellate Assistant Commissioner shall fix a day and place for the hearing of the appeal and may, from time to time, adjourn the hearing;

(4) The Appellate Assistant Commissioner may—

(a) at the hearing of an appeal, allow an appellant to go into any ground of appeal not specified in the grounds of appeal;

(b) before disposing of an appeal, make such further inquiry as he thinks fit or cause further inquiry to be made by the Wealth-tax Officer.

(5) In disposing of an appeal, the Appellate Assistant Commissioner may pass such order as he thinks fit which may include an order enhancing the assessment or penalty:

Provided that no order enhancing the assessment or penalty shall be made unless the person affected thereby has been given a reasonable opportunity of showing cause against such enhancement.

(6) A copy of every order passed by the Appellate Assistant Commissioner under this section shall be forwarded to the Appellant and the Commissioner.

24. Appeal to the Appellate Tribunal from orders of the Appellate Assistant Commissioners.—(1) Any assessee objecting to an order passed by an Appellate Assistant Commissioner under section 23 may appeal to the Appellate Tribunal within sixty days of the date on which he is served with notice of such order.

(2) The Commissioner may, if he is not satisfied as to the correctness of any order passed by an Appellate Assistant Commissioner under section 23, direct the Wealth-tax Officer to appeal to the Appellate Tribunal against such order, and such appeal may be made at any time before the expiry of sixty days of the date on which the order is communicated to the Commissioner.

(3) The Tribunal may admit an appeal after the expiry of the sixty days referred to in sub-sections (1) and (2) if it is satisfied that there was sufficient cause for not presenting it within that period.

(4) An appeal to the Appellate Tribunal shall be in the prescribed form and shall be verified in the prescribed manner and shall, except in the case of an appeal referred to in sub-section (2), be accompanied by a fee of one hundred rupees.

(5) The Appellate Tribunal may, after giving both parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit, and any such orders may include an order enhancing the assessment or penalty:

Provided that no order enhancing an assessment or penalty shall be made unless the person affected thereby has been given a reasonable opportunity of showing cause against such enhancement.

(6) Where the appellant objects to the valuation of any property, the Appellate Tribunal may, and if the appellant so requires shall, refer the question of the disputed value to the arbitration of two valuers, one of whom shall be nominated by the appellant and the other by the respondent, and the Tribunal shall, so far as that question is concerned, pass its orders under sub-section (4) conformably to the decision of the valuers:

Provided that if there is a difference of opinion between the two valuers, the matter shall be referred to a third valuer nominated by

agreement, or failing agreement, by the Appellate Tribunal, and the decision of that valuer on the question of valuation shall be final.

(7) The costs of any arbitration proceeding under sub-section (6) shall be born by the Central Government or the assessee as the case may be, at whose instance the question was referred to the valuers:

Provided that where the assessee has been wholly or partially successful in any reference made at his instance, the extent to which the costs should be borne by the assessee shall be at the discretion of the Appellate Tribunal.

(8) The valuers may, in disposing of any matter referred to them for arbitration under sub-section (6), hold or cause to be held such inquiry as they think fit, and after giving the appellant and the respondent an opportunity of being heard, pass such orders thereon as they think fit and shall send a copy of such order to the Appellate Tribunal.

(9) A copy of every order passed by the Appellate Tribunal under this section shall be forwarded to the assesee and the Commissioner.

(10) Save as provided in section 27, any order passed by the Appellate Tribunal on appeal shall be final.

(11) The provisions of sub-sections (5), (7) and (8) of section 5A of the Income-tax Act shall apply to the Appellate Tribunal in the discharge of its functions under this Act as they apply to it in the discharge of its functions under the Income-tax Act.

25. **Powers of Commissioner to revise orders of subordinate authorities.**—(*1*) The Commissioner may, either of his own motion or on application made by an assessee in this behalf, call for the record of any proceeding under this Act in which an order has been passed by any authority subordinate to him, and may make such inquiry, or cause such inquiry to be made, and, subject to the provisions of this Act, pass such order thereon, not being an order prejudicial to the assessee, as the Commissioner thinks fit:

Provided that the Commissioner shall not revise any order under this sub-section in any case—

(a) where an appeal against the order lies to the Appellate Assistant Commissioner or to the Appellate Tribunal, the time within which such appeal can be made has not expired or in the case of an appeal to the Appellate Tribunal the assessee has not waived his right of appeal;

(b) where the order is the subject of an appeal before the Appellate Assistant Commissioner or the Appellate Tribunal;

(c) where the application is made by the assessee for such revision, unless—

(i) the application is accompained by a fee of twenty-five rupees; and

(ii) the application is made within one year from the date of the order sought to be revised or within such further period as the Commissioner may think fit to allow on being satisfied that the assessee was prevented by sufficient cause from making the application within that period; and

(d) where the order is sought to be revised by the Commissioner of his own motion, if such ordehr is made more than one year previously.

Explanation.—For the purposes of this sub-section,—

(a) the Appellate Assistant Commissioner shall be deemed to be an authority subordinate to the Commissioner; and

(b) an order by the Commissioner declining to interfere shall be deemed not to be an order prejudicial to the assessee.

(2) Without prejudice to the provisions contained in sub-section (1), the Commissioner may call for and examine the record of any proceeding under this Act, and if he considers that any order passed therein by a Wealth-tax Officer is erroneous in so far as it is prejudicial to the interests of revenue, he may, after giving the assessee an opportunity of being heard, and after making or causing to be made such inquiry as he deems necessary pass such order thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment or cancelling it and directing a fresh assessment.

26. Appeal to the Appellate Tribunal from orders of enhancement by Commissioners.—(*1*) Any assessee objecting to an order of enhancement made by the Commissioner under section 25 may appeal to the Appellate Tribunal within sixty days of the date on which the order is communicated to him.

(2) An appeal to the Appellate Tribunal under sub-section (1) shall be in the prescribed form and shall be verified in the prescribed manner and shall be accompained by a fee of rupees one hundred.

(3) The provisions of sub-sections (3) and (5) to (10) inclusive of section 24 shall apply in relation to any appeal under this section as they apply in relation to any appeal under that section.

27. Reference to High Court.—(*1*) Within ninety days of the date upon which he is served with an order under section 24 or section 26, the assessee or the Commissioner may present an application in the prescribed form and, where the application is by the assessee, accompanied by a fee of one hundred rupees to the Appellate Tribunal requiring the Appellate Tribunal to refer to the High Court any question of law arising out of such order, and the Appellate Tribunal shall, if in its opinion a question of law arises out of such order, state the case for the opinion of the High Court.

(2) An application under sub-section (1) may be admitted after the expiry of the period of ninety days aforesaid if the Tribunal is satisfied that there was sufficient cause for not presenting it within the said period.

(3) If, on an application made under sub-section (1), the Appellate Tribunal,—

(a) refuses to state a case on the ground that no question of law arises; or

(b) rejects it on the ground that it is time barred;

the applicant may, within three months from the date on which he is served with a notice of refusal or rejection, as the case may be, apply to the High Court, and the High Court may, if it is not satisfied with the correctness of the decision of the Appellate Tribunal, require the Appellate Tribunal to state the case to the High Court, and on receipt of such requisition the Appellate Tribunal shall state the case:

Provided that, if in any case where the Appellate Tribunal has been required by an assessee to state a case the Appellate Tribunal refuses to do so on the ground that no question of law arises, the assessee may,

within thirty days from the date on which he receives notice of refusal to state the case, withdraw his application, and if he does so, the fee paid by him under sub-section (1) shall be refunded to him.

(4) The statement to the High Court shall set forth the facts, the determination of the Appellate Tribunal and the question of law which arises out of the case.

(5) If the High Court is not satisfied that the case as stated is sufficient to enable it to determine the question of law raised thereby, it may require the Appellate Tribunal to make such modifications therein as it may direct.

(6) The High Court, upon hearing any such case, shall decide the question of law raised therein, and in doing so, may, if it thinks fit, alter the form of the question of law and shall deliver judgment thereon containing the ground on which such decision is founded and shall send a copy of the judgment under the seal of the Court and the signature of the Registrar to the Appellate Tribunal and the Appellate Tribunal shall pass such orders as are necessary to dispose of the case conformably to such judgment.

(7) Where the amount of any assessment is reduced as a result of any reference to the High Court, the amount, if any, overpaid as wealth-tax shall be refunded with such interest as the Commissioner may allow, unless the High Court, on intimation given by the Commissioner within thirty days of the receipt of the result of such reference that he intends to ask for leave to appeal to the Supreme Court makes an order authorising the Commissioner to postpone payment of such refund until the disposal of the appeal in the Supreme Court.

(8) The costs of any reference to the High Court shall be in the discretion of the Court.

(9) Section 5 of the Indian Limitation Act, 1908 (9 of 1908), shall apply to an application to the High Court under this section.

28. Hearing by High Court.—When a case has been stated to the High Court under section 27, it shall be heard by a Bench of not less than two Judges of the High Court and shall be decided in accordance with the opinion of such Judges or of the majority of such Judges, if any:

Provided that where there is no such majority, the Judges shall state the point of law upon which they differ and the case shall then be heard upon that point only by one or more of the Judges of the High Court, and such point shall be decided according to the opinion of the majority of the Judges who have heard the case, including those who first heard it.

29. Appeal to Supreme Court.—(*1*) An appeal shall lie to the Supreme Court from any judgment of the High Court delivered on a case stated under section 27 in any case which the High Court certifies as a fit case for appeal to the Supreme Court.

(2) Where the judgment of the High Court is varied or reversed on appeal under this section, effect shall be given to the order of the Supreme Court in the manner provided in sub-section (6) of section 27.

(3) The High Court may, on application made to it for the execution of any order of the Supreme Court in respect of any costs awarded by it, transmit the order for execution to any court subordinate to the High Court.

CHAPTER VII

PAYMENT AND RECOVERY OF WEALTH TAX

30. Notice of demand.—When any tax or penalty is due in consequence of any order passed under this Act, the Wealth-tax Officer shall serve upon the assessee or other person liable to pay such tax or penalty a notice of demand in the prescribed form specifying the sum so payable and the time within which it shall be payable.

31. Recovery of tax and penalties.—(*1*) Any amount specified as payable in a notice of demand issued under section 30 shall be paid within the time, at the place, and to the person mentioned in the notice, or if no time is so mentioned, then on or before the first day of the second month following the date of service of the notice, and any assessee failing so to pay shall be deemed to be in default.

(2) Where an assessee has been assessed in respect of assets located in a country outside India, the laws of which prohibit or restrict the remittance of money to India, the Wealth-tax Officer shall not treat the assessee as in default in respect of that part of the tax which is attributable to the assets in that country, and shall continue to treat the assessee as not in default in respect of that part of the tax until the prohibition or restriction of remittance is removed.

(3) Notwithstanding anything contained in this section, where an assessee has presented an appeal under section 23, the Wealth-tax Officer may in his discretion treat the assessee as not being in default as long as such appeal is undisposed of.

32. Mode of recovery.—The provisions of sub-sections (*1*), (1A), (2), (3), (4), (5), (5A), (6) and (7) of section 46 and section 47 of the Income-tax Act shall apply as if the said provisions were provisions of this Act and referred to wealth-tax and sums imposed by way of penalty under this Act instead of to income-tax and sums imposed by way of penalty under that Act, and to Wealth-tax Officer and Commissioner of Wealth-tax instead of to Income-tax Officer and Commissioner of Income-tax.

33. Liability of transferees of properties in certain cases.—(*1*) where by reason of the provisions contained in section 4, the value of any assets transferred to any of the persons mentioned in that section have to be included in the net wealth of an individual, the person in whose name such assets stand shall, notwithstanding anything contained in any law to the contrary, be liable, on the service of a notice of demand by the Wealth-tax Officer in this behalf, to pay that portion of the tax assessed on the assessee as is attributable to the value of the asset standing in his name as aforesaid:

Provided that where any such asset is held jointly by more than one person, they shall be jointly and severally liable to pay the tax as is attributable to the value of the asset so jointly held.

(2) Where any such person as is referred to in sub-section (1) defaults in making payment of any tax demanded from him, he shall be deemed to be an assessee in default in respect of such sum, and all the provisions of this Act relating to recovery shall apply accordingly.

34. Restrictions on registration of transfers of immovable property in certain cases.—Where any document required to be registered under the provisions of clause (a), clause (b), clause (c) or clause (e) of sub-section (1) of section 17 of the Indian Registration Act, 1908 (16 of 1908), purports

to transfer, assign, limit or extinguish the right, title or interest of any person to or in any property other than agricultural land valued at more than one lakh of rupees, no registering officer appointed under that Act shall register any such document, unless the Wealth-tax Officer certifies that—

(a) such person has either paid or made satisfactory provision for the payment of all existing liabilities under this Act, or

(b) the registration of the document will not prejudicially affect the recovery of any existing liability under this Act.

CHAPTER VIII

MISCELLANEOUS

35. Rectification of mistakes.—At any time within four years from the date of any order passed by him, or it, the Commissioner, the Wealth-tax Officer, the Appellate Assistant Commissioner and the Appellate Tribunal may, on his, or its, own motion rectify any mistake apparent from the record and shall, within a like period, rectify any such mistake which has been brought to the notice of the Commissioner, the Wealth-tax Officer, the Appellate Assistant Commissioner or the Appellate Tribunal, as the case may be, by an assessee:

Provided that no such rectification shall be made which has the effect of enhancing the assessment unless the assessee has been given a reasonable opportunity of being heard in the matter.

36. Prosecutions.—(*1*) If a person fails without reasonable cause—

(a) to furnish in due time any return mentioned in section 14;

(b) to produce, or cause to be produced, on or before the date mentioned in any notice under sub-section (2) or sub-section (4) of section 16 such accounts, records and documents as are referred to in the notice;

(c) to furnish within the specified any statement or information which such person is bound to furnish to the Wealth-tax Officer under section 38;

he shall, on conviction before a magistrate, be punishable with fine which may extend to ten rupees for every day during which the default continues.

(2) If a person makes a statement in a verification mentioned in section 14 or section 23 or section 24 or section 26 which is false, and which he either knows or believes to be false, or does not believe to be true, he shall be punishable with simple imprisonment which may extend to one year, or with fine which may extend to one thousand rupees, or with both.

(3) A person shall not be proceeded against for an offence under this section except at the instance of the Commissioner.

(4) The Commissioner may either before or after the institution of proceedings compound any such offence.

Explanation.—For the purposes of this section, "magistrate" means a presidency magistrate, a magistrate of the first class or a magistrate of the second class specially empowered by the Central Government to try offences under this Act.

37. Power to take evidence on oath, etc.—The Commissioner, the Wealth-tax Officer, the Appellate Assistant Commissioner and the

Appellate Tribunal shall, for the purposes of this Act, have the same powers as are vested in a court under the Code of Civil Procedure, 1908, (5 of 1908.) when trying a suit in respect of the following matters, namely:—

(a) enforcing the attendance of any person and examining him on oath;

(b) requiring the discovery and production of documents;

(c) receiving evidence on affidavit;

(d) issuing commissions for the examination of witnesses; and any proceeding before the Commissioner, the Wealth-tax Officer, the Appellate Assistant Commissioner or the Appellate Tribunal shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 of the Indian Penal Code (45 of 1860).

38. Information, returns and statements.—Where, for the purposes of determining the wealth-tax payable by any person, it appears necessary for the Wealth-tax Officer to obtain any statement or information from any individual, company, firm, Hindu undivided family or other person, the Wealth-tax Officer may serve a notice requiring such individual, company, firm, Hindu undivided family or other person, on or before a date to be therein specified, to furnish such statement or information on the points specified in the notice, and the individual or the principal officer concerned or the manager of the Hindu undivided family, as the case may be, shall, notwithstanding anything in any law to the contrary, be bound to furnish such statement or information to the Wealth-tax Officer.

Provided that no legal practitioner shall be bound to furnish any statement or information under this section based on any professional communications made to him otherwise than as permitted by section 126 of the Indian Evidence Act, 1872 (1 of 1872).

39. Effect of transfer of authorities on pending proceedings.—Whenever in respect of any proceeding under this Act any wealth-tax authority ceases to exercise jurisdiction and is succeeded by another who has and exercises such jurisdiction, the authority so succeeding may continue the proceeding from the stage at which the proceeding was left by his predecessor.

40. Computation of periods of limitation.—In computing the period of limitation prescribed for an appeal under this Act or for an application under section 27, the day on which the order complained of was made and the time requisite for obtaining a copy of such order shall be excluded.

41. Service of notice.—(*1*) A notice or a requisition under this Act may be served on the person therein named either by post or as if it were a summons issued by a court under the Code of Civil Procedure, 1908 (5 of 1908).

(2) Any such notice or requisition may, in the case of a firm or a Hindu undivided family, be addressed to any member of the firm or to the manager or any adult male member of the family, and in the case of any other association of persons be addressed to the principal officer thereof.

42. Prohibition of disclosure of information.—(*1*) Subject to the provisions contained in sub-section (2), the provisions of section 54 of the Income-tax Act shall apply to all accounts or in relation to statements,

documents, evidence or affidavits given, produced or obtained in connection with or in the course of any proceeding under this Act as they apply to or in relation to similar particulars under that Act subject to the modification that the reference to "any income-tax authority" in clause (d) of sub-section (2) and to the "Commissioner" in sub-section (5) of that Act shall be construed as a reference to "any wealth-tax authority" and to the "Commissioner of Wealth-tax" respectively.

(2) Nothing contained in section 54 of the Income-tax Act shall apply to the disclosure of any such particulars as are referred to in sub-section (1) to any person acting in the execution of this Act or the Income-tax Act or the Estate Duty Act, 1953 (34 of 1953), where it is necessary or desirable to disclose the same to him for the purpose of this Act or any of the other Acts aforesaid.

43. Bar of jurisdiction.—No suit shall lie in any civil court to set aside or modify any assessment made under this Act, and no prosecution, suit or other legal proceeding shall lie against any officer of the Government for anything in good faith done or intended to be done under this Act.

44. Appearance before wealth-tax authorities by authorised representatives.—Any assessee who is entitled to or required to attend before any wealth-tax authority or the Appellate Tribunal in connection with any proceeding or inquiry under this Act, except where he is required under this Act to attend in person, may attend by a person authorised by him in writing in this behalf, being a relative of, or a person regularly employed by, the assessee or a legal practitioner or a chartered accountant or any other person having such qualifications as may be prescribed.

Explanation.—For the purposes of this section,—

(a) the expression, "a person regularly employed by the assessee" includes any officer of a Scheduled Bank with which the assessee maintains a current account or has other regular dealings;

(b) "chartered accountant" means a chartered accountant as defined in the Chartered Accountants Act, 1949 (38 of 1949).

45. Act not to apply in certain cases.—The provisions of this Act shall not apply to—

(a) a banking company as defined in section 5 of the Banking Companies Act, 1949 (10 of 1949);

(b) an insurer within the meaning of the Insurance Act, 1938 (4 of 1938);

(c) any company established with the object of financing, whether by way of making loans or advances to, or subscribing to the capital of, private industrial enterprises in India, in any case where the Central Government has made or agreed to make to the company a special advance for the purpose or has guaranteed or agreed to guarantee the payment of moneys borrowed by the company from any institution outside India;

(d) any company established with the object of carrying on an industrial undertaking in India in any case where the company is not formed by the splitting up, or the reconstruction of a business already in existence or by the transfer to a new

business of any building, machinery or plant used in a business which was being previously carried on:

Provided that the exemption granted by clause (d) shall apply to any such company as is referred to therein only for a period of five successive assessment years commencing with the assessment year next following the date on which the company is established, which period shall, in the case of a company established before the commencement of this Act, be computed in accordance with this Act from the date of its establishment as if this Act had been in force on and from the date of its establishment;

Explanation.—For the purposes of clause (d), "industrial undertaking" means an undertaking engaged in the manufacture, production or processing of goods or articles or in mining or in the generation or distribution of electricity or any other form of power;

(e) any company solely engaged in the business of transporting goods or passengers by ships;

(f) any company registered under section 25 of the Companies Act, 1956 (1 of 1956).

46. Power to make rules.—(*1*) The Board may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, rules made under this section may provide for—

(a) the manner in which the market value of any asset may be determined;

(b) the form in which returns under this Act shall be made and the manner in which they shall be verified;

(c) the form in which appeals and applications under this Act may be made, and the manner in which they shall be verified;

(d) the form of any notice of demand under this Act;

(e) the areas for which lists of valuers may be drawn up;

(f) any other matter which has to be, or may be, prescribed for the purposes of this Act.

(3) The powers to make rules conferred by this section shall on the first occasion of the exercise thereof include the power to give retrospective effect to the rules or any of them from a date not earlier than the date of commencement of this Act.

(4) All rules made under this Act shall be laid before each House of Parliament, as soon as may be, after they are made, and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following.

THE SCHEDULE

(*See* section 3)

RATES OF WEALTH-TAX

PART I

		Rate of Tax
(a) In the case of every individual:—		
(i) on the first rupees two lakhs of net wealth	..	Nil
(ii) on the next rupees ten lakhs of net wealth	..	½%
(iii) on the next rupees ten lakhs of net wealth	..	1%
(iv) on the balance of net wealth	..	1½%
(b) In the case of every Hindu undivided family:—		
(i) on the first rupees four lakhs of net wealth	..	Nil
(ii) on the next rupees nine lakhs of net wealth	..	½%
(iii) on the next rupees ten lakhs of net wealth	..	1%
(iv) on the balance of net wealth	..	1½%

PART II

In the case of every company:—		
(i) on the first rupees five lakhs of net wealth	..	Nil
(ii) on the balance of net wealth	..	½%

Provided that in the case of a company which has incurred a net loss in any year computed in the manner hereinafter provided and which has not declared any dividend on its equity capital in respect of that year, the rate of tax for the relevant year shall be *nil*.

The loss referred to in the above proviso shall be computed in accordance with the provisions of sections 8, 9, 10 and 12 of the Income-tax Act but without deducting the allowances referred to in paragraph (b) of the proviso to clause (vi) of sub-section (2) of section 10, sub-clause (*via*) and sub-clause (*vib*) of sub-section (2) of section 10 of that Act or the allowance in respect of any losses brought forward from earlier years.

Rule 1.—Where the net wealth of an assessee includes the value of any asset on which wealth-tax is not payable under sub-section (2) of section 5, the amount of tax payable by the assessee shall be an amount bearing to the total amount of wealth-tax which would have been payable on the net wealth had no property been exempt the same proportion as the unexempted portion of net wealth bears to the net wealth.

Rule 2.—Where the net wealth of an assessee not being a company, in respect of any assessment year includes the value of any shares in a company as defined in section 3 of the Companies Act, 1956 (1 of 1956), the wealth-tax payable by the assessee on his net wealth for that assessment year, computed in accordance with the rates specified above, shall be reduced by the amount, if any, by which the sum of the following, namely:—

(a) that portion of the wealth-tax payable by the assessee computed as aforesaid as bears to the whole amount of the tax, the same proportion as the value of the shares aforesaid included in his net wealth bears to his net wealth,

(b) that portion of the wealth-tax, if any, paid by the company in respect of the same assessment year, as bears to the whole amount of the said tax, the same proportion as the paid up value of the shares included in the assessment of the assessee aforesaid bears to the aggregate paid up value of the share capital of the company as on the relevant valuation date,

exceeds the amount calculated at the rate of 1·5 per cent. on the value of the shares included in his net wealth.

Rule 3.—Where an assessee is an individual who is not a citizen of India and who is not resident in India, the wealth-tax payable by him in respect of any assessment year computed in accordance with the rates specified in this Schedule shall be reduced by an amount equal to 50 per cent. thereof.

Rule 4.—Where the net wealth of an assessee, being an individual who is a citizen of India, or a Hindu undivided family, includes any assets located outside India, the wealth-tax payable by the assessee in respect of any assessment year shall be reduced by an amount which bears to the amount of tax that would have been payable by the assessee if the rates of tax had been reduced to one-half of the rates specified in this Schedule the same proportion as the value of the assets located outside India as reduced by the debts located outside India bears to the net wealth of the assessee.

Rule 5.—Where the profits of a company in respect of any year, before deducting any of the allowances referred to in the second paragraph of the proviso to Part II, are less than the amount of wealth-tax payable by it in respect of the relevant assessment year, the wealth-tax payable by the company for such assessment year shall be limited to the amount of such profits:

Provided that the company has not declared any dividend on its equity capital in respect of that year.

A

BILL

to provide for the levy of wealth-tax

(AS PASSED BY THE HOUSES OF PARLIAMENT)

THE RAILWAY PASSENGER FARES ACT, 1957

AN

ACT

to provide for the levy of a tax on railway fares.

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows:—

1. Short title and commencement.—(*1*) This Act may be called the Railway Passenger Fares Act, 1957.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. Definitions.—In this Act, unless the context otherwise requires,—

(a) "fare" means the total amount of all charges of whatever nature payable by a passenger or group of passengers in respect of his or their carriage, and includes—

(i) haulage charges for supply of carriages of particular types;

(ii) empty haulage charges on tourist cars and saloons;

(iii) charges for pilot engines; and

(iv) charges for dining cars attached to special trains; but does not include—

(i) the tax payable under this Act;

(ii) terminal taxes. pilgrim taxes and tolls on bridges,

(iii) reservation charges; and

(iv) hire, detention and stabling charges in respect of passenger traffic booked, in reserved carriages and special trains;

(*b*) "passenger" means any person travelling on a railway in any description or class of train or carriage on payment of his fare, whether at full rates or at concessional rates;

(*c*) "railway" and "railway administration" have the meanings respectively assigned to them in the Indian Railways Act, 1890 (9 of 1890).

3. Levy of tax on passenger fares.—(*1*) Subject to the provisions of this Act, there shall be levied and collected on fares paid by passengers carried by any railway in India, whether by itself or in conjunction with

any other mode of transport or in conjunction with railways in any adjacent country, a tax at the rate specified in that behalf in the Schedule.

(2) The tax levied under sub-section (1) shall be collected by the railway administration as an addition to the fares, and the railway administration shall have all the powers and remedies for the recovery thereof as though the same were a rate or fare which the railway administration is empowered to levy under the Indian Railways Act, 1890 (9 of 1890).

4. Rules for computing tax on passenger fares.—In computing the tax payable under this Act, the following rules shall apply, namely:—

Rule 1.—The tax leviable shall, wherever necessary, be rounded off to the nearest *naya paisa*, fractions of half-a-*naya paisa* and over being counted as one, and less than half being disregarded.

Rule 2.—In the case of return tickets, the rate of tax shall be based on the distance for a single journey.

Rule 3.—In the case of tickets issued from or to out-agencies or city booking offices, the tax shall be leviable only in respect of the fare attributable to the actual journey by railway.

Rule 4.—The amount of the tax for any distance shall, wherever necessary, be so adjusted that the aggregate amount of the fare and tax for such distance is not less than the aggregate amount of the fare and tax for any lesser distance in any case.

5. Power to exempt.—The Central Government may, by notification in the Official Gazette and for reasons to be specified therein, exempt, either in whole or in part and either absolutely or subject to such conditions as it may specify, any passengers or class of passengers from the tax leviable under this Act.

6. Power to make rules.—(1) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, rules so made may,—

(a) regulate the collection by or on behalf of the railway administration of the tax levied under this Act, and provide for the authority to which, and the time and manner in which, the tax shall be paid;

(b) prescribe the form of the returns to be submitted by any authority collecting the tax and the particulars to be contained therein and the manner in which it is to be verified.

(3) In making any rules under this section, the Central Government may direct that a breach thereof shall be punishable with fine which may extend to one thousand rupees for each such breach.

THE SCHEDULE

(*See* section 3)

1 *Description of traffic*	2 *Rate of tax*
1. Passengers travelling by railway on season tickets.	*Nil*
2. Passengers travelling by railway for distances upto 15 miles (inclusive).	*Nil*
3. Passengers travelling by railway for distances from 16 miles to 30 miles (inclusive).	5%. of fare
4. Passengers travelling by railway for distances from 31 miles to 500 miles (inclusive).	15% of fare.
5. Passengers travelling by railway for distances over 500 miles.	10% of fare.
6. Passengers travelling on mileage coupons.	12½% of the cost of the coupons.

Explanation.—For the purposes of this Schedule, distances shall be computed according to the rules for the time being in force relating thereto made under the Indian Railways Act, 1890. (9 of 1890).

A

BILL

to provide for the levy of a tax on railway fares

(As passed by the Houses of Parliament)

THE EXPENDITURE-TAX ACT, 1957

ARRANGEMENT OF SECTIONS

CHAPTER I

PRELIMINARY

CLAUSES

CHAPTER II

CHARGE OF EXPENDITURE-TAX AND EXPENDITURE SUBJECT TO SUCH CHARGE

CHAPTER III

EXPENDITURE-TAX AUTHORITIES

CHAPTER IV

ASSESSMENT

THE EXPENDITURE-TAX ACT, 1957

AN

ACT

to provide for the levy of a tax on expenditure.

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. Short title, extent and commencement.—(*1*) This Act may be called the Expenditure-tax Act, 1957.

(*2*) It extends to the whole of India except the State of Jammu and Kashmir.

(*3*) It shall come into force on the 1st day of April, 1958.

2. Definitions.—In this Act, unless the context otherwise requires,—

(a) "Appellate Assistant Commissioner" means a person empowered to exercise the functions of an Appellate Assistant Commissioner of Expenditure-tax under section 8;

(b) "Appellate Tribunal" means the Appellate Tribunal appointed under section 5A of the Income-tax Act;

(c) "assessee" means an individual or a Hindu undivided family by whom expenditure-tax or any other sum of money is payable under this Act, and includes every individual or Hindu undivided family against whom any proceeding under this Act has been taken for the assessment of his expenditure;

(d) "assessment year" means the year for which tax is chargeable under section 3;

(e) "Board" means the Central Board of Revenue constituted under the Central Board of Revenue Act, 1924 (4 of 1924).

(f) "Commissioner" means a person empowered to exercise the functions of a Commissioner of Expenditure-tax under section 9;

(g) "dependant" means—

(i) where the assessee is an individual, his or her spouse or child wholly or mainly dependent on the assessee for support and maintenance;

(ii) where the assessee is a Hindu undivided family—

(a) every coparcener other than the *karta;* and

(b) any other member of the family who under any law or order or decree of a court, is entitled to maintenance from the joint family property;

(h) "expenditure" means any sum in money or money's worth, spent or disbursed or for the spending or disbursing of which a liability has been incurred by an assessee, and includes any amount which under the provisions of this Act is required to be included in the taxable expenditure;

(i) "Expenditure-tax Officer" means the Income-tax Officer authorised to perform the functions of an Expenditure-tax Officer under section 7;

(j) "Income-tax Act" means the Indian Income-tax Act, 1922 (11 of 1922);

(k) "Income-tax Officer" means a person appointed to be an Income-tax Officer under the Income-tax Act;

(l) "Inspecting Assistant Commissioner of Expendiutre-tax" means a person empowered to exercise the functions of an Inspecting Assistant Commissioner of Expenditure-tax under section 10;

(m) "prescribed" means prescribed by rules made under this Act;

(n) "previous year" in relation to any assessment year, means the previous year as defined in clause (11) of section 2 of the Income-tax Act if an assessment were to be made under the said Act for that year:

Provided that where in the case of an assessee there are different previous years under the Income-tax Act for different sources of income, the previous year shall be that previous year which expired last;

(*o*) "taxable expenditure" means the total expenditure of an assessee liable to tax under this Act.

CHAPTER II

CHARGE OF EXPENDITURE-TAX AND EXPENDITURE SUBJECT TO SUCH CHARGE

3. Charge of expenditure-tax.—(*1*) Subject to the other provisions contained in this Act, there shall be charged for every financial year commencing on and from the first day of April, 1958, a tax (hereinafter referred to as expenditure-tax) at the rate or rates specified in the Schedule in respect of the expenditure incurred by any individual or Hindu undivided family in the previous year:

Provided that no expenditure-tax shall be payable by an assessee for any assessment year if his income from all sources during the relevant previous year as reduced by the amount of taxes to which such income may be liable under any other law for the time being in force does not exceed rupees thirty-six thousand.

(*2*) For the removal of doubts, it is hereby declared that nothing contained in this Act shall require the inclusion in the taxable expenditure of an assessee for any year of expenditure for the spending or disbursing of which a liability has already been incurred and which has been included in the taxable expenditure for any earlier year.

4. Amount to be included in taxable expenditure.—Unless otherwise provided in section 5, the following amounts shall be included in computing the expenditure of an assessee liable to tax under this Act, namely:—

(*i*) any expenditure incurred, whether directly or indirectly, by any person other than the assessee in respect of any obligation or

personal requirement of the assessee or any of his dependants which, but for the expenditure having been incurred by that other person, would have been incurred by the assessee, to the extent to which the amount of all such expenditure in the aggregate exceeds Rs. 5,000 in any year;

(*ii*) any expenditure incurred by any dependant of the assessee for the benefit of the assessee or of any of his dependants out of any gift, donation or settlement on trust or out of any other source made or created by the assessee, whether directly or indirectly.

Explanation.—For the removal of doubts it is hereby declared that nothing contained in this section shall be deemed to require the inclusion in the expenditure of the assessee of any expenditure incurred by any other person for or on behalf of the assessee by way of customary hospitality or which is of a trivial or inconsequential nature.

5. Exemption from expenditure tax in certain cases. No expenditure-tax shall be payable under this Act in respect of any such expenditure as is referred to in the following clauses, and such expenditure shall not be included in the taxable expenditure of an assessee—

(*a*) any expenditure, whether in the nature of revenue expenditure or capital expenditure, incurred by the assessee wholly and exclusively for the purpose of the business, profession, vocation or occupation carried on by him or for the purpose of earning income from any other source;

(*b*) any expenditure incurred by the assessee, or on his behalf by his employer, wholly and necessarily in connection with the discharge of duties arising out of the assessee's employment,

(*c*) any expenditure incurred by or on behalf of the assessee wholly and necessarily in connection with the discharge of any duties assigned to him by the Government;

(*d*) any expenditure incurred on behalf of the assessee by way of any such passage concessions as are referred to in clause (*via*) of sub-section (3) of section 4 of the Income-tax Act;

(*e*) any expenditure incurred by the assessee in connection with the acquisition of any immovable property or in the construction, repair, maintenance or improvement of any immovable property belonging to him,

(*f*) any expenditure incurred by the assessee by way of investment in deposits, loans, shares and securities, or in bullion, precious stones or jewellery;

(*g*) subject to such rules as the Central Government may make in in this behalf any expenditure incurred by the assessee in the purchase or products of any cottage industry in India, books or any work of art;

(*h*) any expenditure incurred by the assessee by way of contribution as capital to a firm or other association of persons in consideration of a share in the profits of the firm or association;

(*i*) any expenditure incurred by the assessee by way of re-payment of loan or other borrowing, or by way of payment of interest thereon, not being interest on any loan or other borrowing utilised for incurring expenditure liable to tax under this Act;

(*j*) any expenditure incurred by the assessee by way of, or in respect of, any gift, donation or settlement on trust or otherwise for the benefit of any other person;

(*k*) any expenditure incurred by the assessee for paying premiums in respect of any policy of insurance—

(*i*) on the life of the assessee or any of his dependants; or

(*ii*) for the education or marriage of any of his dependents; or

(*iii*) for insuring the health of the assessee or covering any accident which may be fall him or any disability to which he may become subject; or

(*iv*) covering any property (other than aircraft, motor vehicles or other transport vehicles) against loss or damage due to fire or theft;

(*l*) any expenditure incurred by the assessee in the purchase or maintenance of live-stock;

(*m*) any expenditure incurred by the assessee for any public purpose of a charitable or religious nature:

Provided that this clause shall not apply in the case of any expenditure incurred outside India for any such purpose unless the Board, having regard to the circumstances relating thereto, otherwise directs;

(*n*) any expenditure incurred by the assessee out of any allowance in the nature of an entertainment allowance referred to in clause (*ii*) of sub-section (*2*) of section 7 of the Income-tax Act in respect of which income-tax is not payable;

(*o*) any expenditure incurred outside India—

(*i*) from any source, by an assessee who is not a citizen of India and is not resident in India; or

(*ii*) from any income or capital accrued or realised outside India by an assessee who is not a citizen of India but is resident in India or, being a citizen of India or a Hindu undivided family, is not resident or not ordinarily resident in India;

Explanation.—For the purpose of this clause, an individual or a Hindu undivided family shall be deemed to be not resident or not ordinarily resident in India during any year, if in respect of the corresponding assessment year he or it, as the case may be, is not resident or not ordinarily resident in India within the meaning of the Income-tax Act;

(*p*) any expenditure incurred by way of contribution to a provident thrift or superannuation fund;

(*q*) any expenditure, not being personal expenditure, incurred by the assessee out of the sums, if any, guaranteed or assured by the Central Government as his privy purse for meeting any expenses in respect of—

(*i*) the maintenance of any member of his retinue and the payment of salaries, allowances and pensions to members of his staff or to persons who have retired from his service;

(*ii*) the maintenance of any one building declared by the Central Government as his official residence under paragraph 13 of the Merged States (Taxation Concessions) Order, 1949, or paragraph 15 of the Part B States (Taxation Concessions) Order, 1950;

(*iii*) the maintenance of any conveyances or animals for official purposes;

(*iv*) the maintenance of any relatives dependant on him for maintenance;

(*v*) the performance of any official ceremonies;
which expenses, having regard to the status of the assessee or to the practice of the family to which the assessee belongs, have to be or are being incurred by him and are, in the opinion of the Expenditure-tax Officer, reasonable:

Provided that the Expenditure-tax Officer shall not fix the amount of such expenditure without the previous approval of the Commission;

(*r*) any expenditure incurred by the assessee or any of his dependants, and where the assessee is a Hindu undivided family by any member of the family, in connection with any election to any legislative, municipal or other public authority in India for which the assessee, dependant or member, as the case may be, is a candidate, to the extent to which such expenditure is not in excess of the limits, if any, fixed under any law for the time being in force relating to such elections.

6. Deductions to be made in computing the taxable expenditure.—(*1*) The taxable expenditure of an assessee for any year shall be computed after making the following deductions and allowances, namely:—

(*a*) any taxes, including the expenditure-tax payable under this Act, duties, cesses, rates or fees paid to the Government or a local authority, but not including—

(i) taxes or fees in respect of any conveyance or other movable asset intended for the personal use of the assessee or any of his dependants;

(ii) customs duties on, or taxes on the purchase of, articles imported or purchased for the personal use of the assessee or any of his dependants;

(b) any expenditure lawfully incurred by the assessee in respect of any civil or criminal proceedings to which he is a party;

(c) any expenditure incurred by the assessee—

(i) if an individual, in respect of his own marriage or the marriage of any of his dependants, and

(ii) if a Hindu undivided family, in respect of the marriage of the *karta* or any other member of the family,

subject to a maximum of Rs. 5,000 in each marriage;

(d) four-fifths of any expenditure incurred by way of capital expenditure on the purchase of furniture and other household goods, motor-cars and other conveyances or any other articles for the personal use of the assessee or any of his dependants:

Provided that where a deduction as aforesaid is made, one-fifth of the said capital expenditure shall be deemed to be incurred by the assessee in each of the four years succeeding the previous year in which the expenditure was incurred and no deduction shall be made under this clause in the assessment for any succeeding year in respect of expenditure so deemed to have been incurred in any earlier year;

(e) any expenditure incurred by the assessee on the maintenance of his parents subject to a maximum of Rs. 4,000;

(f) any expenditure incurred by the assessee—

(i) if an individual, in respect of his own medical treatment or the medical treatment of any of his dependants or parents, and

(ii) if a Hindu undivided family, in respect of the medical treatment of the *karta* or any other member of the family,

subject to a maximum of Rs. 5,000 in the case of an individual or a Hindu undivided family which consists only of the *karta*, his wife and children, and Rs. 10,000 in the case of any other Hindu undivided family:

Provided that the assessee may carry forward to the next year and the year immediately following any portion of the said sum of Rs. 5,000 or Rs. 10,000 as the case may be, unexpended during any year:

Provided further that in the case of an assessee who immediately before the commencement of this Act has been incurring a higher expenditure on the medical treatment of himself or any of his dependants or his parents, the Expenditure-tax Officer may, in any of the five years commencing from the 1st day of April, 1958, increase the allowance specified in this clause to such extent as he may think reasonable for that year, but so as not to exceed Rs. 20,000;

(g) any expenditure incurred by the assessee in respect of the education of himself or any of his dependants and where the assessee is a Hindu undivided family, of any member of the family, in any country outside India, subject to a maximum of Rs. 8,000 per year;

(h) a basic allowance—

(i) where the assessee is an individual, of Rs. 30,000; and

(ii) where the assessee is a Hindu undivided family, of Rs. 30,000, in respect of the *karta* and his wife and children, and a further allowance of Rs. 3,000 for every additional coparcener, provided that the basic allowance for the Hindu undivided family as a whole shall not exceed Rs. 60,000 in any case;

(i) any expenditure incurred by the assessee in any country outside India in any case where he is not a citizen of India but is resident in India, to the extent to which such expenditure is not admissible under clause (c) or clause (e) or clause (f) or clause (g), subject to a maximum of Rs. 10,000.

(2) If the assessee claims on or before making a return for the assessment year commencing on the 1st day of April, 1958, that instead of the deductions permissible under clauses (b), (c), (d), (e), (f), (g), (h) and (i) of sub-section (1), the deductions and allowances permissible in his case shall be determined having regard to his actual expenditure in the last three previous years immediately preceding the previous year relevant to the assessment year commencing on the 1st day of April, 1958, then, notwithstanding anything contained in sub-section (1), instead of the deductions and allowances permissible under the clauses aforesaid there shall be allowed—

(a) a sum equal to 75 per cent. of the average annual expenditure of the assessee for the said three years computed after taking into account the exemptions mentioned in section 5 and

the deduction permissible under clause (a) of sub-section (1) of this section; or

(b) Rs. 75,000;

whichever is less.

(3) The limit of Rs. 75,000 referred to in sub-section (2) shall be progressively reduced by a sum of Rs. 5,000 every year commencing from the assessment year ending on the 31st day of March, 1960:

Provided that this sub-section shall cease to apply to an assessee in relation to and from the year in which the progressive reduction, if allowed, would have the effect of bringing the limit so reduced to a figure below the aggregate amount of the allowances and deductions permissible under clauses (b) to (i) inclusive of sub-section (1).

(4) If the assessee proves in any year that in respect of any sum out of which any expenditure incurred is chargeable to tax under this Act he has paid in any foreign country any tax under any law for the time being in force in that country relating to taxes on income, wealth or expenditure, he shall be entitled to a deduction from the expenditure chargeable to tax under this Act of that portion of the tax paid in the foreign country as is attributable to the amount of such expenditure.

CHAPTER III

EXPENDITURE-TAX AUTHORITIES

7. Expenditure-tax Officers.—Every Income-tax Officer having jurisdiction or exercising powers as such under the Income-tax Act in respect of any individual or Hindu undivided family shall perform the functions of an Expenditure-tax Officer under this Act in respect of such individual or Hindu undivided family.

8. Appellate Assistant Commissioners of Expenditure-tax.—The Board may empower as many persons as it thinks fit to exercise under this Act the functions of an Appellate Assistant Commissioner of Expenditure-tax, and on being so empowered the Appellate Assistant Commissioners of Expenditure-tax shall perform their functions in respect of such areas or such persons or such classes of persons as the Board may direct, and where such directions have assigned to two or more Appellate Assistant Commissioners the same area or the same persons or the same classes of persons, they shall perform their functions in accordance with such orders as the Board may make for the distribution and allocation of the work to be performed.

9. Commissioners of Expenditure-tax.—The Board may empower as many persons as it thinks fit to exercise under this Act the functions of a Commissioner of Expenditure-tax, and on being so empowered the Commissioners of Expenditure-tax shall perform their functions in respect of such areas or such persons or such classes of persons as the Board may direct, and where such directions have assigned to two or more Commissioners of Expenditure-tax the same area or the same persons or the same classes of persons, they shall have concurrent jurisdiction subject to such orders, if any, as the Board may make for the distribution and allocation of the work to be performed.

10. Inspecting Assistant Commissioners of Expenditure-tax.—The Commissioner of Expenditure-tax may empower as many persons as he thinks fit to exercise under this Act the functions of an Inspecting Assistant Commissioner of Expenditure-tax and on being so empowered the Inspecting Assistant Commissioners of Expenditure-tax shall perform their functions in respect of such areas or such persons or such classes of persons as the Commissioner of Expenditure-tax may direct, and where such directions have assigned to two or more Inspecting Assistant Commissioners of Expenditure-tax the same area or the same persons or the same classes of persons they shall perform their functions in accordance with such orders as the Commissioner of Expenditure-tax may make for the distribution and allocation of the work to be performed.

11. Expenditure-tax Officers to be subordinate to the Commissioner of Expenditure-tax and the Inspecting Assistant Commissioner of Expenditure-tax.—The Expenditure-tax Officers shall be subordinate to the Commissioner of Expenditure-tax and the Inspecting Assistant Commissioner of Expenditure-tax within whose jurisdiction they perform their functions.

12. Expenditure-tax authorities to follow orders, etc., of the Board.—All officers and other persons employed in the execution of this Act shall observe and follow the orders, instructions and directions of the Board:

Provided that no orders, instructions, or directions shall be given by the Board so as to interfere with the discretion of the Appellate Assistant Commissioner of Expenditure-tax in the exercise of his appellate functions.

CHAPTER IV

ASSESSMENT

13. Return of expenditure.—(1) Every person whose expenditure for the previous year was of such an amount as to render him liable to expenditure-tax under this Act shall, before the thirtieth day of June of the corresponding assessment year, furnish to the Expenditure-tax Officer a return in the prescribed form and verified in the prescribed manner setting forth his expenditure for the previous year.

(2) If the Expenditure-tax Officer is of the opinion that the expenditure of any person for any year is of such an amount as to render him liable to expenditure-tax, then notwithstanding anything contained in sub-section (1), he may serve a notice upon such a person requiring him to furnish within such period, not being less than thirty days, as may be specified in the notice, a return in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be required in the notice relating to the expenditure of such person for the previous year mentioned in the notice.

(3) The Expenditure-tax Officer may, if he is satisfied that it is necessary to do so, extend the date for the delivery of the return under this section.

14. Return after the due date and amendment of return.—If any person has not furnished a return within the time allowed under section 13, or having furnished a return under that section discovers any omission or a wrong statement therein, he may furnish a return or a revised return, as the case may be, at any time before the assessment is made.

15. Assessment.—(1) If the Expenditure-tax Officer is satisfied without requiring the presence of the assessee or production by him of any evidence that a return made under section 13 or section 14 is correct and complete, he shall assess the taxable expenditure of the assessee and determine the amount payable by him as expenditure-tax.

(2) If the Expenditure-tax Officer is not so satisfied, he shall serve a notice on the assessee, requiring him either to attend in person at his office on a date to be specified in the notice, or to produce or cause to be produced on that date any evidence on which the assessee may rely in support of his return.

(3) The Expenditure-tax Officer, after hearing such evidence as the person may produce and such other evidence as he may require on any specified points, shall, by order in writing, assess the taxable expenditure of the assessee and determine the amount payable by him as expenditure-tax.

(4) For the purpose of making an assessment under this Act, the Expenditure-tax Officer may serve on any person who has made a return under sub-section (1) of section 13 or upon whom a notice has been served under sub-section (2) of that section, a notice requiring him to produce or cause to be produced on a date specified in the notice such accounts, records or other documents as the Expenditure-tax Officer may require.

(5) If any person fails to make a return in response to any notice under sub-section (2) of section 13 or fails to comply with the terms of any notice issued under sub-section (2) or sub-section (4), the Expenditure-tax Officer shall make the assessment to the best of his judgment and determine the amount payable by the person as expenditure-tax on the basis of such assessment.

16. Expenditure escaping assessment.—If the Expenditure-tax Officer—

(a) has reason to believe that by reason of the omission or failure on the part of the assessee to make a return of his expenditure under section 13 for any assessment year, or to disclose fully and truly all material facts necessary for his assessment for that year, the expenditure chargeable to tax has escaped assessment for that year, whether by reason of under-assessment or assessment at too low a rate or otherwise; or

(b) has in consequence of any information in his possession reason to believe, notwithstanding that there has been no such omission or failure as is referred to in clause (a), that the expenditure chargeable to tax has escaped assessment for any assessment year, whether by reason of under-assessment or assessment at too low a rate or otherwise;

he may, in cases falling under clause (a) at any time within eight years and in cases falling under clause (b) at any time within four years of the end of that assessment year, serve on the assessee a notice containing all or any of the requirements which may be included in a notice under sub-section (2) of section 13, and may proceed to assess or reassess such expenditure, and the provisions of this Act shall, so far as may be, apply as if the notice had issued under that sub-section.

17. Penalty for concealment.—(1) If the Expenditure-tax Officer, Appellate Assistant Commissioner, Commissioner or Appellate Tribunal in the course of any proceedings under this Act is satisfied that any person—

(a) has without reasonable cause failed to furnish the return of his expenditure which he is required to furnish under sub-section (1) or sub-section (2) of section 13 or section 16, or has without reasonable cause failed to furnish it within the time allowed and in the manner required; or

(b) has without reasonable cause failed to comply with a notice under sub-section (2) or sub-section (4) of section 15; or

(c) has concealed the particulars of any expenditure or deliberately furnished inaccurate particulars thereof, he or it may by order in writing, direct that such person shall pay by way of penalty—

(i) in the case referred to in clause (a), in addition to the amount of expenditure-tax payable by him a sum not exceeding one-and-a-half times the amount of such tax, and

(ii) in the case referred to in clause (b) or clause (c), in addition to the amount of expenditure-tax payable by him a sum not exceeding one-and-a-half times the amount of the tax, if any, which would have been avoided if the expenditure returned by such person had been accepted as correct.

(2) No order shall be made under sub-section (1) unless the person concerned has been given a reasonable opportunity of being heard.

(3) No prosecution for an offence under this Act shall be instituted in respect of the same facts in relation to which a penalty has been imposed under this section.

(4) The Expenditure-tax Officer shall not impose any penalty under this section without the previous approval of the Inspecting Assistant Commissioner of Expenditure-tax.

CHAPTER V

LIABILITY TO ASSESSMENT IN SPECIAL CASES

18. Tax of deceased persons payable by legal representative.—(1) Where a person dies, his executor, administrator or other legal representative shall be liable to pay out of the estate of the deceased person to the extent to which the estate is capable of meeting the charge, the expenditure-tax assessed as payable by such person, or any sum which would have been payable by him under this Act if he had not died.

(2) Where a person dies without having furnished a return under the provisions of section 13 or after having furnished a return which the Expenditure-tax Officer has reason to believe to be incorrect or incomplete, the Expenditure-tax Officer may make an assessment of the expenditure of such person and determine the expenditure-tax payable by the person on the basis of such assessment, and for this purpose may, by the issue of the appropriate notice which would have had to be served upon the deceased person if he had survived, require from the executor, administrator or other legal representative of the deceased person any accounts, documents or other evidence which might under the provisions of section 15 have been required from the deceased person.

(3) The provisions of section 13, section 14 and section 15 shall apply to an executor, administrator or other legal representative as they apply to any person referred to in those sections.

19. Assessment after partition of a Hindu undivided family.—(1) Where, at the time of making an assessment, it is brought to the notice of the Expenditure-tax Officer that a partition has taken place among the members of a Hindu undivided family, and the Expenditure-tax Officer, after inquiry, is satisfied that the joint family property has been partitioned as a whole among the various members or groups of members in definite portions he shall record an order to that effect, and make assessments on the expenditure of the undivided family as such for the assessment year or years including the year relevant to the previous year in which the partition has taken place, and each member or group of members shall be liable jointly and severally for the tax assessed on the expenditure of the joint family as such.

(2) Where the Expenditure-tax Officer is not so satisfied, he may, by order, declare that such family shall be deemed for the purposes of this Act to continue to be a Hindu undivided family liable to be assessed as such.

20. Settlement of tax payable in certain cases.—(1) Where an assessee who is in receipt of sums guaranteed or assured by the Central Government as his privy purse applies to the Central Government in the prescribed manner and within the prescribed time for the settlement of the expenditure-tax payable by him under this Act for any assessment year, then, notwithstanding anything contained in Chapter IV, the Central Government may, having regard to the obligations which according to the practice, usage or tradition of the family to which the assessee belongs have to be or are being discharged by him, assess the expenditure-tax payable by him for the assessment year, to be such sum as to the Central Government appears proper.

(2) Any order assessing any sum as being payable for any assessment year under sub-section (1) may, if the Central Government so directs, have effect for any subsequent assessment year or years.

CHAPTER VI

APPEALS, REVISIONS AND REFERENCES

21. Appeal to the Appellate Assistant Commissioner from orders of Expenditure-tax Officers.—(1) Any person—

(a) objecting to the amount of his taxable expenditure determined under this Act; or

(b) objecting to the amount of expenditure-tax determined as payable by him under this Act; or

(c) denying his liability to be assessed under this Act; or

(d) objecting to any penalty imposed by the Expenditure-tax Officer under section 17; or

(e) objecting to any order of the Expenditure-tax Officer under sub-section (2) of section 19; or

(f) objecting to any penalty imposed by the Expenditure-tax Officer under the provisions of sub-section (1) of section 46 of the Income-tax Act as applied under section 30 for the purpose of expenditure-tax;

may appeal to the Appellate Assistant Commissioner against the assessment or order, as the case may be, in the prescribed form and verified in the prescribed manner.

(2) An appeal shall be presented within thirty days of the receipt of the notice of demand relating to the assessment or penalty objected to, or the date on which any order objected to is communicated to him, but the Appellate Assistant Commissioner may admit an appeal after the expiration of the period aforesaid if he is satisfied that the appellant had sufficient cause for not presenting the appeal within that period.

(3) The Appellate Assistant Commissioner shall fix a day and place for the hearing of the appeal and may from time to time adjourn the hearing.

(4) The Appellate Assistant Commissioner may,

(a) at the hearing of an appeal, allow an appellant to go into any ground of appeal not specified in the grounds of appeal;

(b) before disposing of an appeal, make such further inquiry as he thinks fit or cause further inquiry to be made by the Expenditure-tax Officer.

(5) In disposing of an appeal, the Appellate Assistant Commissioner may pass such order as he thinks fit which may include an order enhancing the assessment or penalty:

Provided that no order enhancing an assessment or penalty shall be made unless the person effected thereby has been given a reasonable opportunity of showing cause against such enhancement.

(6) A copy of every order passed by the Appellate Assistant Commissioner under this section shall be forwarded to the appellant and the Commissioner.

22. Appeal to the Appellate Tribunal from orders of the Appellate Assistant Commissioners.—(1) Any assessee objecting to an order passed by an Appellate Assistant Commissioner under section 21 may appeal to the Appellate Tribunal within sixty days of the date on which he is served with notice of such order.

(2) The Commissioner may, if he is not satisfied as to the correctness of any order passed by an Appellate Assistant Commissioner under section 21, direct the Expenditure-tax Officer to appeal to the Appellate Tribunal against such order, and such appeal may be made at any time before the expiry of sixty days of the date on which the order is communicated to the Commissioner.

(3) The Tribunal may admit an appeal after the expiry of the sixty days referred to in sub-sections (1) and (2) if it is satisfied that there was sufficient cause for not presenting it within that period.

(4) An appeal to the Appellate Tribunal shall be in the prescribed form, and shall be verified in the prescribed manner and shall, except in the case of an appeal referred to in sub-section (2), be accompanied by a fee of one hundred rupees.

(5) The Appellate Tribunal may, after giving both parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit, and any such orders may include an order enhancing the assessment or penalty:

Provided that no order enhancing an assessment or penalty shall be made unless the person affected thereby has been given a reasonable opportunity of showing cause against such enhancement.

(6) A copy of every order passed by the Appellate Tribunal under this section shall be forwarded to the assessee and the Commissioner.

(7) Save as provided in section 25 any order passed by the Appellate Tribunal on appeal shall be final.

(8) The provisions of sub-sections (5), (7) and (8) of section 5A of the Income-tax Act shall apply to the Appellate Tribunal in the discharge of its functions under this Act as they apply to it in the discharge of its functions under the Income-tax Act.

23. Power of Commissioner to revise orders of Expenditure-tax Officers, etc.—(*1*) The Commissioner may, either of his own motion or on application made by an assessee in this behalf, call for the record of any proceeding under this Act in which an order has been passed by any authority subordinate to him, and may make such inquiry or cause inquiry to be made and, subject to the provisions of this Act, pass such order thereon, not being an order prejudicial to the assessee, as the Commissioner thinks fit:

Provided that the Commissioner shall not revise any order under this sub-section in any case—

(a) where an appeal against the order lies to the Appellate Assistant Commissioner or to the Appellate Tribunal, the time within which such appeal can be made has not expired or the assessee has not waived his right of appeal to the Appellate Tribunal;

(b) where the order is the subject of an appeal before the Appellate Assistant Commissioner or the Appellate Tribunal;

(c) where the application is made by the assessee for such revision unless—

(i) the application is accompanied by a fee of twenty-five rupees;

(ii) the application is made within one year from the date of the order sought to be revised or within such further period as the Commissioner may think fit to allow on being satisfied that the assessee was prevented by sufficient cause from making the application within that period; and

(d) where the order is sought to be revised by the Commissioner of his own motion, if such order is made more than one year previously.

Explanation.—For the purposes of this sub-section,—

(a) the Appellate Assistant Commissioner shall be deemed to be an authority subordinate to the Commissioner; and

(b) an order by the Commissioner declining to interfere shall be deemed not to be an order prejudicial to the assessee.

(2) Without prejudice to the provisions contained in sub-section (1), the Commissioner may call for and examine the record of any proceeding under this Act and if he considers that any order passed therein by an Expenditure-tax Officer is erroneous in so far as it is prejudicial to the interests of revenue, he may, after giving to the assessee an opportunity of being heard, and after making or causing to be made

such inquiry as he deems necessary, pass such order thereon as the circumstances of the case justify, including an order enhancing or modifying the assessment or cancelling it and directing a fresh assessment.

(3) No order shall be made under sub-section (2) after the expiry of two years from the date of the order sought to be revised.

24. Appeal to the Appellate Tribunal from orders of enhancement by Commissioner.—(*1*) Any assessee objecting to an order of enhancement made by the Commissioner under section 23 may appeal to the Appellate Tribunal within sixty days of the date on which the order is communicated to him.

(2) An appeal to the Appellate Tribunal under sub-section (1) shall be in the prescribed form and shall be verified in the prescribed manner and shall be accompanied by a fee of rupees one hundred.

(3) The provisions of sub-sections (3), (5), (6) and (7) of section 22 shall apply in relation to any appeal under this section as they apply in relation to any appeal under that section.

25. Reference to High Court.—(*1*) Within ninety days of the date upon which he is served with an order under section 22 or section 24, the assessee or the Commissioner may present an application in the prescribed form and where the application is by the assessee, accompanied by a fee of one hundred rupees, to the Appellate Tribunal requiring the Appellate Tribunal to refer to the High Court any question of law arising out of such order, and the Appellate Tribunal shall, if in its opinion a question of law arises out of such order, state the case for the opinion of the High Court.

(2) An application under sub-section (1) may be admitted after the expiry of the period of ninety days aforesaid if the Tribunal is satisfied that there was sufficient cause for not presenting it within the said period.

(3) If on an application made under sub-section (1) the Appellate Tribunal—

(a) refuses to state a case on the ground that no question of law arises; or

(b) rejects it on the ground that it is time-barred;

the applicant may, within three months from the date on which he is served with a notice of refusal or rejection, as the case may be, apply to the High Court, and the High Court may, if it is not satisfied with the correctness of the decision of the Appellate Tribunal, require the Appellate Tribunal to state the case to the High Court, and on receipt of such requisition the Appellate Tribunal shall state the case:

Provided that if in any case where the Appellate Tribunal has been required by an assessee to state a case the Appellate Tribunal refuses to do so on the ground that no question of law arises, the assessee may, within thirty days from the date on which he receives notice of refusal to state the case, withdraw his application, and if he does so, the fee paid by him under sub-section (1) shall be refunded to him.

(4) The statement to the High Court shall set forth the facts, the determination of the Appellate Tirbunal and the question of law which arises out of the case.

(5) If the High Court is not satisfied that the case as stated is sufficient to enable it to determine the question of law raised thereby, it may require the Appellate Tribunal to make such modifications therein as it may direct.

(6) The High Court, upon hearing any such case, shall decide the question of law raised therein, and in doing so may, if it thinks fit, alter the form of the question of law and shall deliver judgment thereon containing the ground on which such decision is founded and shall send a copy of the judgment under the seal of the Court and the signature of the Registrar to the Appellate Tribunal and the Appellate Tribunal shall pass such orders as are necessary to dispose of the case conformably to such judgment.

(7) Where the amount of any assessment is reduced as a result of any reference to the High Court, the amount, if any, over-paid as expenditure-tax shall be refunded with such interest as the Commissioner may allow, unless the High Court, on intimation given by the Commissioner within thirty days of the result of such reference that he intends to ask for leave to appeal to the Supreme Court, makes an order authorising the Commissioner to postpone payment of such refund until the disposal of the appeal in the Supreme Court

(8) The costs of any reference to the High Court shall be in the discretion of the Court

(9) Section 5 of the Indian Limitation Act 1908 (9 of 1908), shall apply to an application to the High Court under this section.

26. Hearing by High Court.—Where a case has been stated to the High Court under section 25, it shall be heard by a Bench of not less than two Judges of the High Court and shall be decided in accordance with the opinion of such Judges or of the majority of such Judges:

Provided that where there is no such majority, the Judges shall state the point of law upon which they differ and the case shall then be heard upon that point only by one or more of the Judges of the High Court, and such point shall be decided according to the opinion of the majority of the Judges who have heard the case, including those who first heard it.

27. Appeal to the Supreme Court.—(*1*) An appeal shall lie to the Supreme Court from any judgment of the High Court delivered on a case stated under section 25 in any case which the High Court certifies as a fit case for appeal to the Supreme Court.

(2) Where the judgment of the High Court is varied or reversed on appeal under this section, effect shall be given to the order of the Supreme Court in the manner provided in sub-section (6) of section 25.

(3) The High Court may, on application made to it for the execution of any order of the Supreme Court in respect of any costs awarded by it, transmit the order for execution to any court subordinate to the High Court.

CHAPTER VII

PAYMENT AND RECOVERY OF EXPENDITURE-TAX

28. Notice of demand.—When any tax or penalty is due in consequence of any order passed under this Act, the Expenditure-tax Officer shall

serve upon the assessee or other person liable to pay such tax or penalty a notice of demand in the prescribed form specifying the sum so payable and the time within which it shall be paid.

29. Recovery of tax and penalties.- (1) Any amount specified as payable in a notice of demand issued under section 28 shall be paid within the time, at the place, and to the person mentioned in the notice, or if no time is so mentioned, then on or before the first day of the second month following the day of service of the notice and any assessee failing so to pay shall be deemed to be in default.

(2) Notwithstanding anything contained in this section where an assessee has presented an appeal under section 21, the Expenditure-tax Officer may in his discretion treat the assessee as not being in default as long as such appeal is undisposed of.

30. Mode of recovery.—The provisions of sub-sections (*1*), (1A), (2), (3), (4), (5), (5A), (6) and (7) of section 46 and section 47 of the Income-tax Act shall apply as if the said provisions were provisions of this Act and referred to expenditure-tax and sums imposed by way of penalty under this Act instead of to income-tax and sums imposed by way of penalty under that Act and to Expenditure-tax Officer and Commissioner of Expenditure-tax instead of to Income-tax Officer and Commissioner of Income-tax.

CHAPTER VIII

MISCELLANEOUS

31. Rectification of mistakes.—At any time within four years from the date of any order passed by him, or it, the Commissioner, the Expenditure-tax Officer, the Appellate Assistant Commissioner or the Appellate Tribunal may on his or its own motion rectify any mistake apparent from the record and shall, within a like period, rectify any such mistake which has been brought to the notice of the Commissioner, the Expenditure-tax Officer, the Appellate Assistant Commissioner or the Appellate Tribunal, as the case may be, by an assessee:

Provided that no such rectification shall be made which has the effect of enhancing an assessment unless the assessee has been given a reasonable opportunity of being heard in the matter.

32. Prosecutions.—(*1*) If a person fails without reasonable cause—

(a) to furnish in due time any return mentioned in section 13;

(b) to produce, or cause to be produced on or before the date mentioned in any notice under sub-section (2) or sub-section (4) of section 15 such accounts, records and documents as are referred to in the notice;

(c) to furnish within the time specified any statement or information which such person is bound to furnish to the Expenditure-tax Officer under section 34;

he shall, on conviction before a magistrate, be punishable with fine which may extend to ten rupees for every day during which the default continues.

(2) If a person makes a statement in a verification mentioned in section 13, section 21, section 22, or section 24, which is false, and which he either knows or believes to be false, or does not believe to be true, he shall be punishable with simple imprisonment which may extend to one year or with fine which may extend to one thousand rupees or with both.

(3) A person shall not be proceeded against for an offence under this section except at the instance of the Commissioner.

(4) The Commissioner may either before or, after the institution of proceedings compound any such offence.

Explanation.—For the purposes of this section " magistrate" means a presidency magistrarte, a magistrate of the first class. or a magistrate of the second class specially empowered by the Central Government to try offences under this Act.

33. Power to take evidence on oath, etc.—The Commissioner, the Expenditure-tax Officer, the Appellate Assistant Commissioner and the Appellate Tribunal shall. for the purposes of this Act, have the same powers as are vested in a court under the Code of Civil Procedure, 1908, (5 of 1908), when trying a suit in respect of the following matters, namely:—

(a) enforcing the attendance of any person and examining him on oath;

(b) requiring the discovery and production of documents;

(c) receiving evidence on affidavit;

(d) issuing commissions for the examination of witnesses;

and any proceeding before the Commissioner, the Expenditure-tax Officer, the Appellate Assistant Commissioner or the Appellate Tribunal shall be deemed to be a judicial proceeding within the meaning of section 193 and 228 of the Indian Penal Code (45 of 1860).

34. Information, returns and statements.—Where, for the purposes of determining the expenditure tax payable by any person, it appears necessary for the Expenditure-tax Officer to obtain any statement or information from any individual, Hindu undivided family, company or any other person, the Expenditure-tax Officer may serve a notice requiring such individual, Hindu undivided family, company or other person on or before a date to be therein specified, to furnish such statement or information on the points specified in the notice and the individual, the manager of the Hindu undivided family the principal officer of the company or other person, as the case may be, shall, notwithstanding anything in any law to the contrary, be bound to furnish such statement or information to the Expenditure-tax Officer:

Provided that no legal practitioner shall be bound to furnish any statement or information under this section based on any professional communications made to him otherwise than as permitted by section 126 of the Indian Evidence Act, 1872 (1 of 1872).

35. Effect of transfer of authorities on pending proceedings.—Whenever in respect of any proceeding under this Act any Expenditure-tax authority ceases to exercise jurisdiction and is succeeded by another who has and exercises such jurisdiction, the authority so succeeding may continue the proceedings from the stage at which the proceeding was left by his predecessor.

36. Computation of periods of limitation.—In computing the period of limitation prescribed for an appeal under this Act or for an application under section 25, the day on which the order complained of was made and the time requisite for obtaining a copy of such order shall be excluded.

37. Service of notice.—(1) A notice or a requisition under this Act may be served on the person therein named either by post or as if it were a summons issued by a court under the Code of Civil Procedure, 1908 (5 of 1908).

(2) Any such notice or requisition may, in the case of a Hindu undivided family be addressed to the manager or any adult male member of the family.

38. Prohibition of disclosure of information.—(1) Subject to the provisions contained in sub-section (2), the provisions of section 54 of the Income-tax Act shall apply to all accounts or in relation to statements, documents, evidence or affidavits given, produced or obtained in connection with or in the course of any proceeding under this Act, as they apply to or in relation to similar particulars under that Act, subject to the modification that the reference to any Income-tax authority in clause (d) of sub-section (2) and to the Commissioner in sub-section (5) of 54 of that Act shall be construed as a reference to any Expenditure-tax authority and to the Commissioner of Expenditure-tax respectively.

(2) Nothing contained in section 54 of the Income-tax Act shall apply to the disclosure of any such particulars as are referred to in sub-section (1) to any person acting in the execution of this Act or the Income-tax Act or the Estate Duty Act, 1953 (34 of 1953) or the Wealth-tax Act, 1957, where it is necessary or desirable to disclose the same to him for the purpose of this Act or any of the other Acts aforesaid.

39. Bar of jurisdiction.—* * * * * * No suit shall lie in any civil court to set aside or modify any assessment made under this Act, and no prosecution, suit or other legal proceeding shall lie against any officer of the Government for anything in good faith done or intended to be done under this Act.

40. Appearance before Expenditure-tax authorities by authorised representatives.—Any assessee who is entitled to or required to attend before any Expenditure-tax authority or the Appellate Tribunal in connection with any proceeding or inquiry under this Act, except where he is required under this Act to attend in person, may attend by a person authorised by him in writing in this behalf, being a relative of, or a person regularly employed by, the assessee, or a legal practitioner or a chartered accountant, or any other person having such qualifications as may be prescribed.

Explanation.—For the purposes of this section,—

(a) the expression "a person regularly employed by the assessee" includes any officer of a Scheduled Bank with which the assessee maintains a current account or has other regular dealings,

(b) "Chartered Accountant" means a Chartered Accountant as defined in the Chartered Accountants Act, 1949 (37 of 1949).

41. Power to make rules.—(1) The Board may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, rules made under this section may provide for—

(a) the form in which returns under this Act shall be made, and the manner in which they shall be verified;

(b) the form in which appeals and applications under this Act may be made, and the manner in which they shall be verified;

(c) the form of any notice of demand under this Act;

(d) any other matter which has to be or may be prescribed for the purposes of this Act.

(3) All rules made under this Act shall be laid before each House of Parliament, as soon as may be, after they are made, and shall be subject to such modifications as Parliament may make during the session in which they are so laid or the session immediately following.

THE SCHEDULE

(*See* section 3)

RATES OF EXPENDITURE-TAX

In the case of every individual and Hindu undivided family, on that portion of the taxable expenditure—

(i) which does not exceed Rs. 10,000 ...	10%
(ii) which exceeds Rs. 10,000 but does not exceed Rs. 20,000 ...	20%
(iii) which exceeds Rs. 20,000 but does not exceed Rs. 30,000 ...	40%
(iv) which exceeds Rs. 30,000 but does not exceed Rs. 40,000 ...	60%
(v) which exceeds Rs. 40,000 but does not exceed Rs. 50,000 ...	80%
(vi) which exceeds Rs. 50,000 ...	100%

A

BILL

to provide for the levy of a tax on expenditure

(As passed by the Houses of Parliament)

THE PROVISIONAL COLLECTION OF TAXES (TEMPORARY AMENDMENT) ACT, 1957

An Act to amend the Provisional Collection of Taxes Act, **1931**, *for a temporary period.*

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows: —

1. Short title.—This Act may be called the Provisional Collection of Taxes (Temporary Amendment) Act, 1957.

2. Temporary amendment of sections 4 and 5. Act 16 of 1931.—Where a Bill introduced in Parliament during the period commencing on the 15th day of May, 1957, and ending with the 31st day of December, 1957, contains a declared provision as defined in section 2 of the Provisional Collection of Taxes Act, 1931, sections 4 and 5 of that Act shall have effect in relation to such Bill as if for the words "sixtieth day" in clause (c) of sub section (2) of section 4 and in sub-section (1) of section 5, the words "one hundred and twentieth day" had been substituted.

STATEMENT OF OBJECTS AND REASONS

A Finance Bill proposing *inter alia* certain increases in customs and excise duties has been introduced in the current session of Parliament. By virtue of a declaration appended to the Bill under the Provisional Collection of Taxes Act, 1931, these increases have been provisionally brought into force immediately with the introduction of the Bill. The authority for provisional collection of the increases derived from this declaration lapses at the end of 60 days. The Finance Bill would, therefore, have to be enacted into law within this period, if provisional collection is not to come to a stop and all duties provisionally collected are not to become refundable. The duration of the current session of Parliament is expected to be about three weeks only, which will not give Parliament sufficient time to examine the important taxation proposals being made in the Finance Bill. In order, therefore, that Parliament may be enabled to consider that Bill in its next session which is expected to commence in the month of July, 1957, the present Bill proposes to extend the 60-day period provided in the Provisional Collection of Taxes Act, 1931 to 120 days as a temporary measure.

T. T. KRISHNAMACHARI.

NEW DELHI;

The 15*th May*, 1957.

ANNEXURE

EXTRACT FROM THE PROVISIONAL COLLECTION OF TAXES ACT, 1931

No. XVI OF 1931

* * * * * *

2. Definition.—In this Act, a "declared provision" means a provision in a Bill in respect of which a declaration has been made under section 3.

* * * * * *

4. Effect of declarations under this Act, and duration thereof.—(1) A declared provision shall have the force of law immediately on the expiry of the day on which the Bill containing it is introduced.

(2) A declared provision shall cease to have the force of law under the provisions of this Act—

(a) when it comes into operation as an enactment, with or without amendment, or

(b) when the Central Government, in pursuance of a motion passed by the Parliament, directs, by notification in the Official Gazette, that it shall cease to have the force of law, or

(c) if it has not already ceased to have the force of law under clause (a) or clause (b), then on the expiry of the sixtieth day after the day on which the Bill containing it was introduced.

5. Certain refunds to be made when declarations cease to have effect.—(1) Where a declared provision comes into operation as an enactment in an amended form before the expiry of the sixtieth day after the day on which the Bill containing it was introduced, refunds shall be made of all duties collected which would not have been collected if the provision adopted in the enactment had been the declared provision:

Provided that the rate at which refunds of any duty may be made under this sub-section shall not exceed the difference between the rate of such duty proposed in the declared provision and the race of such duty in force when the Bill was introduced.

(2) Where a declared provision ceases to have the force of law under clause (b) or clause (c) of sub-section (2) of section 4, refunds shall be made of all duties collected which would not have been collected if the declaration in respect of it had not been made.

A

BILL

to amend the Provisional Collection of Taxes Act, 1931, for a temporary period.

(As passed by the Houses of Parliament)

Budget, 1957-58
Explanatory Memorandum

PAGES

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SECTION IV

ECONOMIC DATA

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PREFACE

The Explanatory Memorandum consists of five Sections. The first Section deals with the estimates of revenue and expenditure met from revenue. The second Section deals with the capital transactions. . The third Section contains short notes on various important schemes included in the budget estimates. The fourth Section contains data and statistics of financial and economic interest. Section V contains a statement illustrating the income and super tax payable on different incomes.

Certain annexures have also been added at the end giving the progress of revenue and expenditure over a period of years, the distribution by Demands for Grants and Appropriation of the expenditure shown by heads of account in the budget for 1957-58, the distribution of the expenditure estimates for 1957-58 under broad categories, details of certain Relief and Rehabilitation schemes for displaced persons, details of the resources transferred from the Centre to the States, the nature and purpose of the Special Development Fund and other foreign aid received by India, the Loans from the Government of U.S.A. and U.S.S.R and other loans from the International Bank for Reconstruction and Development, details of investments made by Government in industrial undertaings, progressive figures of the net receipts from Rupee Loans raised in India, the Small Savings including other Unfunded Debt as compared with the targets envisaged in the Five Year Plan, and a Summary of the Ways and Means Budget

Suitable Introductory Notes have been included explaining the broad structure of the budget, the various types of transactions included in the different-Sections and the relation between the annual financial statement laid before Parliament in accordance with the provisions of the Constitution and the explanations given in this Memorandum.

In this Memorandum the expressions "current year" and "next year" indicate the financial years 1956-57 and 1957-58, respectively. Sterling transactions in the current year have been converted at the rate of 1 sh. 5 31/32d. on the basis of the actual rates prevailing upto January 1957. In accordance with the usual practice similar transactions included in the budget for 1957-58 have been converted into rupees at the standard rate of 1sh. 6d. to the rupee.

The accounts for the year 1955-56 have not been finally closed. The actuals for that year shown in the Explanatory Memorandum are, therefore, provisional and subject to readjustment.

INTRODUCTORY NOTE

The "annual financial statement" laid before both Houses of Parliament, in accordance with the provisions of the Constitution, is the budget of the Central Government. This statement covers all the transactions of the Central Government during the current and the ensuring year. The budget of the Indian Railways is separately presented to Parliament and dealt with by it. But as the receipts and expenditure of the Railways are, nevertheless, the receipts and expenditure of the Government of India, the figures relating to these are also included in lump in the general budget.

2. The annual financial statement is prepared by major heads of account, prescribed in consultation with the Comptroller and Auditor General. These heads fall either under the Consolidated Fund of India or in the Public Account of the Government. In addition, the Government of India also maintain a Contingency Fund, set up by law, by Parliament, under Art. 267(1) of the Constitution of India, with a balance of Rs. 15 crores, for making advances for urgent unforeseen expenditure, which are recouped to the Fund by debit to the Consolidated Fund of India, after obtaining Parliamentary sanction for such expenditure. The receipts and expenditure of Government fall under one or other of the major heads either in the Consolidated Fund or the Public Account in accordance with the prescribed rules of classification.

3. All revenues received by the Government of India, all loans raised by the Government by the issue of Treasury Bills, loans or ways and means advances and all monies received by Government in repayment of loans are credited to the Consolidated Fund and monies can be appropriated from that Fund only in accordance with law and for the purposes and in the manner provided in the Constitution. All other public monies received by or on behalf of the Government of India are credited to the Public Account. Government expenditure, including expenditure on loans and advances by Government, the repayment of loans, treasury bills and ways and means advances is met out of the Consolidated Fund. The estimates of expenditure have to show separately the sums required to meet expenditure which the Constitution has "charged" upon the Consolidated Fund and the sums from the Consolidated Fund required to meet other expenditure. The estimates have also to distinguish expenditure on revenue account from other expenditure. The latter cover expenditure on capital outlay, loans given by Government and expenditure on the repayment of loans, treasury bills and ways and means advances.

4. The estimates of expenditure to be met from the Consolidated Fund are presented to the Lok Sabha in the form of Demands for Grants, except to the extent to which such expenditure is "charged" on the Consolidated Fund and, in consequence, does not require a vote of the Lok Sabha. These demands generally cover the requirements of each individual administrative service. For example, a Ministry will have a demand for its own expenditure and one for the expenditure of each one of the various departments under its administrative control. Except in special circumstances, a demand does not cover more than one department or more than one head of account. The main exception to this is that all expenditure controlled by the head of each of the Centrally Administered areas is brought together in a single demand. There are also demands for miscellaneous purposes such as, payments of grants-in-aid, loans, etc., under the Ministry administering these grants and loans

although there are no "departments" as such dealing with them. The "charged" expenditure under any head for which there is a voted demand is included in that demand, but is shown separately and is, as explained earlier, not presented for vote. Where expenditure is wholly charged a separate appropriation is included for it in the Book of Demands.

5. Within each demand the estimates are arranged by suitable sub-heads, which indicate broadly the categories of expenditure included in the demand. So long as the total demand is not exceeded, Government (and authorities subordinate to them to whom powers may be delegated) can meet excesses under one sub-head from savings in another except that excess in "charged" expenditure cannot be met by savings under "voted" heads and *vice versa*.

6. One qualification must be remembered in considering the demands for grants. Although they are generally by major heads, the total of all the demands relating to a major head and the 'charged' expenditure provided under that head may not agree with the total shown in the annual financial statement. This is because certain recoveries are taken in the accounts in reduction of expenditure while in the demands, which when passed, provide the authority for incurring the particular item of expenditure, these recoveries are not taken into account. Broadly, these recoveries relate to inter-departmental adjustments or recoveries from other Governments. *ad hoc* funds, etc. Thus if the Union Excise Department does some work for Customs, the gross expenditure will appear in the demand under Union Excises while the accounts will show only the net expenditure (*i.e.* gross expenditure less recovery from customs) under the major head 'Union Excise Duties'. Similarly, while the interest received on the capital advanced to commercial departments and State Governments are taken in the accounts in reduction of expenditure under the major head 'Interest', the appropriation for 'Interest, will show the actual sum which Government have to find for the payment of interest on and the servicing of the outstanding debt and other interest bearing obligations.

7. After the demands have been voted by the Lok Sabha, the monies required to meet the grants so voted and the expenditure 'charged' on the Consolidated Fund and included in the annual financial statement presented to Parliament are withdrawn from the Consolidated Fund under the authority of an Appropriation Act passed by Parliament.

8. For payments out of the Public Account, no demand is required to be presented to Parliament and the actual requirements are met from time to time as they arise. These payments are largely of the nature of banking transactions. State Provident Funds, Depreciation and other Reserve Funds of Government departments, Post Office Savings Banks, Post Office Cash and other Savings Certificates, Postal Life Insurance Fund, *ad hoc* funds created by Government by appropriation from revenue or otherwise, miscellaneous deposits and remittances are included in the Public Account. It is broadly correct to say that none of the monies lying in the Public Account belong to Government. They have to be paid back at sometime or the other to the public as in the case of State Provident Funds, Postal Savings Bank, Postal Cash Certificates, Life Insurance Funds, etc. or to be utilised by Government in an agreed manner as in the case of *ad hoc* funds set up for special purposes. It may be mentioned, to complete the picture, that the approval of Parliament is necessary to any appropriation from revenue to create a fund

and, unless the monies thus funded are made over to corporate bodies with separate legal status of their own, similar approval is required for incurring subsequent expenditure from such funds. When an amount is transferred to any such fund, it is shown as expenditure in the estimates of the year in which the transfer is made. Expenditure met from these funds is similarly shown in the estimates of the year in which it is incurred but an equivalent amount is transferred from the fund to meet this expenditure. Parliamentary control is thus secured on both the creation of such funds and the utilisation of the monies in them.

SECTION I

ESTIMATE OF REVENUE AND EXPENDITURE MET FROM REVENUE

SECTION

REVENUE

The budget for 1956-57 provided for a deficit on revenue account of converted into a surplus of Rs. 37·94 crores. On the basis of the current at Rs. 634·97 crores and the expenditure met from revenue at Rs. 6,68·09 of the Finance and Wealth Tax Acts, 1957, it is estimated that this

The estimated revenue and expenditure under each Major Head of Central Government. Statement I below shows in broad categories a how the estimated expenditure for the next year has been distributed

STATEMENT

SUMMARY OF REVENUE

REVENUE

Heads of Revenue	1955-56 Accounts	1956-57 Budget	1956-57 Revised	1957-58 Budget
Customs	1,66,70	1,50,00	1,71,00	1,62,00 +5,60*
Union Excise Duties	1,45,25	1,70,35	1,88,73	2,09,43 +45,94†*
Corporation Tax	37,04	48,24	48,24	50,50
Taxes on Income	1,31,36	1,41,36	1,41,36	1,47,10 +8,80*
Estate Duty	1,81	2,50	2,52	2,52*
Taxes on Wealth	..	..	..	12,50*
Taxes on Railway Fares	..	..	..	7,00
Opium	2,09	2,10	2,24	2,50
Interest	2,84	5,49	5,24	4,90
Civil Administration	14,45	11,06	15,49	43,21
Currency and Mint	24,09	23,67	24,48	36,02
Civil Works	2,66	2,39	2,70	2,95
Other Sources of Revenue	24,79	19,39	19,32	27,65
Posts & Telegraphs (Net contribution)	3,47	1,60	5,30	3,09 +86*
Railways— (Net contribution)	5,80	6,57	6,03	6,67
Deduct—Share of Income Tax payable to States	−55,16	−55,01	−58,75	−61,14 −4,84*
Deduct—Share of Estate Duty payable to States	−1,87	−2,32	−2,41	−2,43
Deduct—Share of Taxes on Railway Fares payable to States	..	..	..	−7,00*
TOTAL—REVENUE	5,04,32	5,27,39	5,27,49	6,34,97 +68,86*
DEFICIT ON REVENUE ACCOUNT	..	18,04	..	..
TOTAL	5,04,32	5,45,43	5,71,49	7,03,83

*Effect of Finance, Wealth Tax and Railway Passenger Fares Acts, 1957.

(† Excludes a sum of Rs. 420 lakhs being the share of Union Excise Duties payable to States.

I

BUDGET

Rs. 18·04 crores. It is now expected that this revenue deficit will be
year's level of taxation the revenue for the coming year is estimated
crores leaving a deficit of Rs. 33·12 crores. After allowing for the effects
Revenue deficit will turn into a revenue surplus of Rs. 35·74 crores.

Account have been shown in statements A and B of the Budget of the
summary of the estimated revenue and expenditure. Annexure IX shows
over the various Demands for Grants and Appropriations.

I

AND EXPENDITURE

(In lakhs of Rupees.)

EXPENDITURE

Heads of Expenditure	1955-56 Accounts	1956-57 Budget	1956-57 Revised	1957-58 Budget
Direct Demands on Revenue	32,30	37,15	37,92	41,08
Irrigation	6	5	8	10
Debt Services	43,14	35,50	38,21	35,00
Civil Administration	94,07	1,35,91	1,33,64	1,91,02
Currency and Mint	3,34	3,76	5,02	6,72
Civil Works	12,14	15,90	14,54	15,93
Miscellaneous	60,23	60,49	59,16	75,73
Defence Services (Net)	1,72,23	2,03,97	2,02,95	2,52,70
Contributions and Grants-in-aid to States	35,87	38,00	29,60	25,23
Extraordinary Items	10,49	14,70	12,43	23,86
TOTAL.—EXPENDITURE	4,63,87	5,45,43	5,33,55	6,68,09
SURPLUS ON REVENUE ACCOUNT	40,45	..	37,94	35,74
TOTAL	5,04,32	5,45,43	5,71,49	7,03,83

which has been taken in reduction of Revenue.

NOTES ON REVENUE ESTIMATES

Customs.—A rough distribution of the Customs revenue expected to be collected during the current year and the next year is given below.

STATEMENT II

SEA CUSTOMS—IMPORTS

	1955-56 Accounts	1956-57 Budget	1956-57 Revised	1957-58 Budget
I.—Revenue Duties				
Ale, beer, porter, cider and other fermented liquors	54	60	50	25
Spirits and liquors	2,05	1,90	2,00	80
Wines	7	7	20	3
Spices	1,25	1,20	1,40	1,20
Tobacco	2,01	1,70	1,75	1,42
Kerosene oil	6,21	5,00	6,20	6,20
Motor spirit	7,52	3,50	3,40	3,40
Oils—batching, fuel and lubricating	2,05	2,80	2,50	3,02
Motor cars, cycles, scooters, omnibuses, chassis, vans, lorries and parts thereof	10,25	9,50	14,00	13,19
Electric lighting bulbs	50	50	50	20
Wireless reception instruments and apparatus	74	70	78	70
Coal-tar dyes and coal-tar derivatives	1,71	1,70	1,60	1,68
Machinery	7,83	7,50	9,00	14,22
Iron and steel	5,05	5,00	5,50	6,50
Metals, other than iron and steel, silver and block tin	39	50	48	53
Railway plant and rolling stock	2,91	2,00	2,30	2,76
Wood-pulp, paper and stationery	3,93	3,50	3,50	2,02
Artificial silk yarn and thread	5,63	5,70	7,00	6,00
Yarn and other textile fabrics	91	70	1,10	1,03
Cinematograph films	61	60	60	45
Pneumatic rubber tyres and tubes	12	13	70	50
Toys, games and sports goods	19	15	20	7
Betelnuts	7,38	7,00	7,20	5,00
All other articles	47,57	45,85	54,50	51,64
TOTAL.—REVENUE DUTIES	1,17,42	1,07,80	1,26,81	1,22,81
II.—Protective Duties				
Heavy Chemicals	1,11	90	2,20	2,80
Iron and steel	27	25	20	17
Metals other than iron and steel	1,27	1,20	1,50	1,50
Raw silk	37	45	13	15
Silk yarn and thread	6	5	8	6
Silk fabrics	1	2	3	3
Artificial silk fabrics	1,67	1,60	1,28	11
Sewing machines and parts thereof	2	..	..	..
Machinery other than Sewing Machines	71	55	1,80	2,50
Cycles (other than motor cycles) and parts thereof	2,18	2,10	2,30	1,50
All other articles	2,74	3,08	2,12	2,07
TOTAL—PROTECTIVE DUTIES	10,41	10,20	11,04	10,89
III.—Duties on American Disposals				
Duties on American Disposals	15	..	5	..
TOTAL—IMPORTS	1,27,98	1,18,00	1,38,50	1,33,70

SEA CUSTOMS—EXPORTS

	1955-56 Account	1956-57 Budget	1956-57 Revised	1957-58 Budget
Jute—				
Raw; Manufactured	3,98	..	3	..
Raw Cotton	5,52	3,50	2,00	2,00
Cotton Waste	2,20	2,70	2,00	2,00
Cotton cloth and yarn	88	1,00	10	..
Manganese	10	..	1,80	3,00
Tea	17,83	16,00	19,00	19,00
Black pepper	23	..	..	..
Food and agricultural produce	50	54	44	47
Iron and steel	1	..	..	..
	21	22	22	22
Oils and oil seeds	3,33	3,28	1,60	1,50
Rice	5	6	1	1
Coffee	10	10	5	5
Coir	5	5	5	5
Oil cakes	2,44	3,25	40	40
All other articles	33	..	..	..
TOTAL—EXPORTS	37,76	30,70	27,70	28,70
Land Customs	1,38	1,30	2,30	2,50
Air Customs	1,99	2,00	3,30	3,50
Miscellaneous	85	80	1,20	1,20
TOTAL—GROSS REVENUE	1,69,96	1,52,80	1,73,00	1,69,60
Deduct—REFUNDS	—3,26	—2,80	—2,00	—2,00
NET REVENUE	1,66,70	1,50,00	1,71,00	1,67,60

The import tariff is cast in the form of a commodity schedule with broad distinctions indicating the treatment to be accorded to various classes of articles. The general rate of import duty is now about 35 per cent. On certain non-essential items where it is felt that the consumer can well pay a higher rate or where there is sufficient indigenous production to meet our needs, higher rates of duty are imposed. Certain items are subject to protective duties while certain others are declared duty free or are subject to lower rates of duty in the interest of indigenous industry or the economy of the country. Some of the items which carry the heaviest rates of duty (ranging from 75 to over 200 per cent.) are tobacco manufactures, wines and spirits, artificial silk goods, gold plated articles, textile fabrics, fabrics containing gold or silver thread, socks and stocking of silk or art silk, boots and shoes, parasols and sunshades, gold and silver thread manufactures, silver thread and wire, motor cars, clocks and watches, etc. Some of the protected goods are some chemicals, certain coal tar dyes, matches, silk and art silk fabrics, aluminium, cycles and certain items of machinery and parts, ball bearings, titanium dioxide, power and distribution transformers for which the rates of duty are fixed at such amounts and for such periods as are found necessary having regard to the recommendations of the Tariff Commission. Grains and pulses and a number of raw materials for industry are on the free list, while specially low but varying rates of tax cover a large number of essential items like fuel oils, batching oils, lubricants, raw films, machinery, etc.

Export duties cover a number of items of which tea is now the most important. Duty on tea is levied on a slab system depending upon the price notified by Government from time to time in the light of market trends.

The Government continue to keep under constant review the effect of export duties on the country's export trade and during the current financial year duties have been altered as and when necessary in order to improve the competitive position of Indian products in world markets. At present export duties are also levied on cotton, cotton waste, manganese ore, tea, some oils and oil-seeds, deoiled groundnut meal and certain oilcakes.

The import duty on certain items was increased with effect from 1st December 1956, the important changes being in the case of duty on dried fruits, canned or bottled patent foods, ale, beer, liquors, coal-tar dyes and derivatives, artificial silk yarn and thread, hardware, tools, clocks, watches, etc.

On the export side, duty on coarse cloth was abolished. Appropriate relief was also allowed in the rate of export duty on tea.

On the trend of actuals upto the end of January, 1957, the total Customs revenue this year is now estimated at Rs 171 crores against Rs. 150 crores taken in the original Budget The increase is due largely to (a) enhancement in the rates of import duties referred to above, (b) larger imports of certain commodities, (c) adjustment of part of the import duty on sugar imported in previous years, and (d) rise in prices of imported goods. The increase mostly occurs under kerosene oil, motor cars, motor cycles, scooters, machinery, artificial silk yarn and thread, heavy chemials, tea, etc., offset to some extent by a short-fall in the revenue from export duty on raw cotton, oils and oilseeds, oilcakes, etc.

The next year's estimate of Rs. 167·6 crores is lower by Rs. 3·4 crores. This reflects the cuts made in the import programme to conserve foreign exchange affecting a large variety of consumer goods.

Union Excise Duties.—Following are the details of revenue from Union Excise Duties:—

STATEMENT III

	1955-56 Account	1956-57 Budget	1956-57 Revised	1957-58 Budget
Motor Spirit	23,05	26,20	23,20	32,50
Kerosene	2,43	2,50	2,75	3,00
Sugar	18,58	16,75	20,00	37,70
Matches	10,08	10,00	10,00	15,41
Steel Ingots	69	70	65	5,65
Tyres	5,53	5,70	5,70	5,70
Tobacco	36,46	34,62	35,49	40,98
Vegetable Products	3,82	3,50	3,50	3,50
Coffee	93	95	1,05	1,20
Tea	3,47	3,50	3,50	4,00
Cotton Cloth	28,18	44,08	59,58	72,00
Artificial Silk	2,18	47	80	90
Cement	2,22	2,30	2,30	8,50
Footwear	84	85	85	80
Soap	1,55	1,60	1,60	1,60
Woollen Fabrics	53	60	60	60
Electric Fans	27	24	28	28
Electric Bulbs	25	27	30	30
Electric Batteries	73	74	80	84
Paper	2,68	2,85	2,95	5,15
Paint and Varnishes	1,01	1,00	1,10	1,10

STATEMENT III—*contd*.

	1955-56 Account	1956-57 Budget	1956-57 Revised	1957-58 Budget
Vegetable non-essential Oils	29	5,40	5,00	7,77
Refined Diesel Oils and Vapourising Oils	16	2,35	2,70	4,65
Industrial Fuel Oils :—				
Diesel Oil / Furnace Oil	47	2,15	2,15	2,71
Rayon and Synthetic fibres and yarn	..	..	23	90
Motor Cars	..	..	27	80
Coal Cess	2,38	2,35	2,45	2,45
Cess or Copra	..	..*	8	8
Cess oils and oil-seeds	..	..*	20	20
Miscellaneous	76	58	55	55
TOTAL—GROSS REVENUE	1,49,24	1,72,25	1,90,63	2,61,82
Deduct—REFUNDS AND DRAWBACKS	—3,99	—1,90	—1,90	—2,25
TOTAL—NET REVENUE	1,45,25	1,70,35	1,88,73	2,59,57

The revenue from Union Excise Duties is expected to increase by about Rs. 18·4 crores this year over the original budget assumption of Rs. 170·35 crores. Cotton cloth is estimated to yield an additional revenue of Rs. 15·5 crores as a result of the enhancement of duty with effect from 1st September, 1956. An improvement of Rs. 3·25 crores is expected in sugar on account of larger production. A short-fall of Rs. 3 crores in the duty on motor spirit will be offset by increases under a number of items, mainly tobacco, kerosene, refined diesel oil and artificial silk.

The estimates for the next year have been placed at Rs 259·57 crores after allowing for an improvement of Rs. 50 lakhs in tea, Rs. 25 lakhs in Kerosene, Rs. 15 lakhs in Coffee and Rs. 9 lakhs in Foot-wear and Electric Batteries. The estimates assume full year's effect on increase in duty on cloth and other levies *viz*. on Rayon and Synthetic fibres and yarn and Motor Cars imposed in the current year. The estimates also include Rs. 50·14 crores on account of changes in excise duties under the Finance Act, 1957. The additional revenue of Rs. 50·14 crores is comprised of Rs. 16·20 crores from the enhanced duty on sugar, Rs. 5·9 crores on Cement, Rs 5·8 crores on Motor Spirit, Rs. 5·41 crores on matches, Rs. 5·35 crores on tobacco. Rs. 5 crores on Steel Ingots, Rs. 2·77 crores on vegetable non-essential Oils, Rs. 1·75 crores on Paper, Rs. 1·65 crores on Refined Diesel oils and Vapourising oils and Rs. 31 lakhs on Industrial fuel oils.

The above estimates include:—

(a) Rs. 6·8 crores this year and Rs. 7·05 crores next year from the special cess of 3 pies per square yard on mill-made cloth for the benefit of handloom and khadi industries;

(b) Rs. 2·45 crores in both the years from the Coal Mines Labour Welfare Cess and the Coal Mines Safety Stowing Cess. The revenue from these cesses does not accrue to Government; the Labour Welfare Cess is transferred to an *ad hoc* Fund and the Coal Mines Safety and Conservation Cess is paid to the Coal Board and provision for both these payments is made in the expenditure estimates; and

*Included in "Miscellaneous".

(c) Rs. 8 lakhs and Rs. 20 lakhs in both the years on account of cess on copra and oils and oil seeds respectively for payment to the Indian Central Coconut Committee and the Indian Central Oilseeds Committee.

Under the provisions of the Union Duties of Excise (Distribution) Act. 1953, forty per cent. of the net proceeds from excise duties on matches, tobacco, and vegetable products, after allowing for the cost of collection is paid to the State Governments For the current year, the Act, as modified by section 74(1) of the States Re-organisation Act, 1956 read with Fourth Schedule thereto and the Order issued by the President under the Bihar and West Bengal (Transfer of Territories) Act, 1956 provides for the distribution of estimated States' share for the first 7 months and the last 5 months amongest the individual States according to the percentages shown in the table below:

First 7 months of 1956-57		*Last 5 months of 1956-57*	
State	*Per cent*	*State*	*Per cent*
Andhra	5.92	Andhra Pradesh	9.03
Assam	2.61	Assam	2.61
Bihar	11.60	Bihar	11.18
Bombay	10.37	Bombay	13.76
Madhya Pradesh	6.13	Madhya Pradesh	6.25
Madras	10.30	Madras	8.65
Mysore	2.84	Mysore	5.52
Orissa	4.22	Orissa	4.22
Punjab	3.66	Punjab	4.66
Rajasthan	4.41	Rajasthan	4.40
Travancore-Cochin	2.68	Kerala	3.91
Uttar Pradesh	18.23	Uttar Pradesh	18.23
West Bengal	7.16	West Bengal	7.58
Hyderabad	5.39		100.00
PEPSU	1.00		
Saurashtra	1.19		
Madhya Bharat	2.29		
	100.00		

Under the agreement entered into with the Jammu and Kashmir State, under Article 278 of the Constitution of India, the State was entitled to receive in the current year, the following amounts:—

(a) A sum equivalent to 55 per cent. of the net proceeds of taxes on income, other than agricultural income, levied and collected by the Government of India in that State excluding the proceeds attributable to Union emoluments.

(b) Sums equivalent to 40 per cent. of the net proceeds of Union duties of excise on matches, tobacco and vegetable products levied and collected by the Government of India in the State.

(c) Entire net proceeds of estate duty in respect of property other than agricultural land levied and collected by the Government of India in the State.

(d) In addition to the sums mentioned at (a), (b) and (c) above, a sum equal to the amount by which these fall short of Rs. 250 lakhs.

From 1957-58 onwards the share payable to the States would follow the decision to be taken on the recommendations to be made by the Second Finance Commission, constituted in June, 1956, under Article 280 of the Constitution. Meanwhile, on the basis of the interim recommendations made by the Finance Commission, the Union Duties of Excise (Distribution) Act, 1953, was amended in December, 1956, to provide for the provisional payment to the States in 1957-58 of 40 per cent. of the net proceeds of Union Duties of Excise on matches, tobacco and vegetable products in the following manner:

State	*Per cent.*
Andhra Pradesh	8·92
Assam	2·58
Bihar	11·04
Bombay	13·59
Kerala	3·86
Madhya Pradesh	6·17
Madras	8·54
Mysore	5·45
Orissa	4·17
Punjab	4·60
Rajasthan	4·34
Uttar Pradesh	18·00
West Bengal	7·49
Jammu and Kashmir	1·25
	100·00

The payment would be subject to readjustment in the light of the decisions to be taken on the final recommendations of the Commission. The Jammu and Kashmir State will now, in addition to its share of divisible taxes and duties, be entitled to get a grant-in-aid of Rs. 175 lakhs under Article 275(1) of the Constitution of India.

The share of Union Excise Duties payable to the States is estimated at Rs. 18·22 crores this year and at Rs. 23·37 crores next year These payments are being provided on the expenditure side under the Demand for Union Excise Duties. The amount payble to each State has been shown in Statement IV

Taxes on Income including Corporation Tax.—Board details of revenue are—

	1955-56 Account	1956-57 Budget	1956-57 Revised	1957-58 Budge
Corporation Tax—				
Ordinary Collections	36,33	47,74	47,74	50,00
Surcharge	3	..	..	..
Excess Profits Tax	73	25	25	30
Business Profits Tax	—5	25	25	20
	37,04	48,24	48,24	50,50
Taxes on Income other than Corporation Tax—				
Ordinary Collections	1,25,36	1,35,46	1,35,46	1,45,50
Surcharge (Central)	4,98	5,50	5,50	5,65
Surcharge (Special)	..	..	..	4,35
Excess Profits Tax	80	30	30	30
Business Profits Tax	22	10	10	10
	1,31,36	1,41,36	1,41,36	1,55,90
GRAND TOTAL—CORPORATION TAX AND TAXES ON INCOME	1,68,40	1,89,60	1,89,60	2,06,40

While Corporation Tax accrues in its entirely to the Centre, the net proceeds of income-tax, except the tax attributable to Central emoluments and Union territories and any Central surcharge, are divisible between the Centre and the States. Fifty-five per cent. of the net proceeds of such income-tax is paid to the States.

Under the provisions of the Constitution (Distribution of Revenues) Order, 1953 as modified by Section 74(1) of the States Reorganisation Act, 1956, read with fourth Schedule thereto and the Order issued by the President under the Bihar and West Bengal (Transfer of Territories) Act, 1956, States' share for the first 7 months and last 5 months of the current year is distributable amongst the various States as shown in the table below:—

First 7 months of 1956-57		*Last 5 months of 1956-57*	
State	*Per cent.*	*State*	*Per cent.*
Andhra	5·49	Andhra Pradesh	8·09
Assam	2·25	Assam	2·25
Bihar	9·75	Bihar	9·40
Bombay	17·50	Bombay	19·10
Madhya Pradesh	5·25	Madhya Pradesh	5·14
Madras	9·56	Madras	8·03
Mysore	2·45	Mysore	5·99
Orissa	3·50	Orissa	3·50
Punjab	3·25	Punjab	4·00
Rajasthan	3·50	Rajasthan	3·51
Travancore-Cochin	2·50	Kerala	3·64
Uttar Pradesh	15·75	Uttar Pradesh	15·75
West Bengal	11·25	West Bengal	11·60
Hyderabad	4·50		
Madhya Bharat	1·75		100·00
PEPSU	0·75		
Saurashtra	1·00		
	100·00		

From 1957-58 onwards the States' share of income-tax would be such as may be prescribed by the President by Order after considering the recommendations of the Finance Commission.

The recommendations made by the Commission in their interim report have been accepted by Government and accordingly the Constitution (Distribution of Revenues) Order, 1957, provides that for the financial year commencing on 1st April, 1957, fifty-five per cent. of the proceeds of taxes on income, other than Corporation tax, exclusive of the proceeds attributable to Union Territories or to taxes payable on Union emoluments shall be allocated to the States and distributed amongst them as follows:

State	*Per cent.*
Andhra Pradesh	8·01
Assam	2·23
Bihar	9·31
Bombay	18·91
Kerela	3·60
Madhya Pradesh	5·09
Madras	7·95
Mysore	5·93
Orissa	3·46
Punjab	3·96
Rajasthan	3·47
Uttar Pradesh	15·59
West Bengal	11·48
Jammu and Kashmir	1·01
	100·00

The payments would be subject to readjustment in the light of the final recommendations of the Commission, and the decisions taken thereon.

The share of income-tax revenue payable to the States has been worked out as follows:

	Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Total taxes on income other than Corporation tax excluding Central surcharge, Miscellaneous receipts and Advance payments	1,20,26	1,20,26	1,32,95
Deduct— Portion attributable to Central emoluments . .	− 2,90	− 2,90	− 2,72
Deduct— Net Divisible proceeds in respect of Jammu and Kashmir	..	− 15	..
Deduct— Cost of collection	− 3,[illegible]	− 3,27	− 3,28
Net : .	1,14,09	1,13,94	1,26,95
Portion attributable to Part 'C' States (2·75 per cent.) /Union Territories (1 per cent.)	− 3,14	− 2,30	− 1,27
Total divisible Pool	1,10,95	1,11,64	1,25,68
Amount payable to States	61,02	61,40	69,11
Adjustment on account of over-payments in resepect of previous years	− 2,65	− 2,65	− 3,13
Amount payable to States	58,37*	58,75	65,98

The amount payable to each State has been shown in Statement IV.

Estate Duty.—Estate Duty collections are estimated at Rs 2·52 crores in both this year and the next. The Estate Duty proceeds go almost entirely to the States and do not affect the Central Budget. Pending the recommendations of the Finance Commission which has been asked to advise on the question of an equitable distribution of Estate Duty proceeds. a provisional distribution is being made on the basis of the States' share of income-tax. The Commission in their interim Report have also recommended the distribution of Estate Duty for the next year on the same basis, pending readjustment in the light of their final recommendations. The amount payable to each State is shown in Statement IV below.

*Of this Rs. 55·01 crores only were payable to the States after excluding the shares due to the States of Mysore, Saurashtra and Travancore-Cochin who were entitled to receive grants in-aid under the federal financial integration arrangements in lieu of their shares of divisible taxes.

STATEMENT IV

Statement showing the Statewise distribution of Income-tax, Union Excise Duties and Estate Duty payable to States.

In lakhs of Rupees

State	Budget, 1956-57			Revised, 1956-57			Budget, 1957-58		
	Income Tax	Excise Duties	Estate Duty	Income Tax	Excise Duties	Estate Duty	Income Tax	Excise Duties	Estate Duty
Andhra	3,20	1,08	13	1,87	63	7	..	..	..
Andhra Pradesh	..	..	..	2,00	69	9	5,27	2,10	19
Assam	1,31	48	5	1,33	48	6	1,47	61	6
Bihar	5,69	2,11	22	5,64	2,08	22	6,12	2,58	22
Bombay	10,21	1,89	41	10,68	2,14	44	12,47	3,17	45
Hyderabad	2,62	98	11	1,53	57	6	..	..	..
Madhya Pradesh	3,07	1,12	12	3,06	1,13	12	3,35	1,45	13
Madhya Bharat	1,02	42	4	60	24	2		..	..
Madras	5,58	1,88	23	5,23	1,75	22	5,24	2,00	21
Mysore	12	4	6	2,31	72	9	3,97	1,26	14
Orissa	2,04	77	8	2,05	77	9	2,27	98	8
PEPSU	44	18	2	26	11	1	..	..	.
Punjab	1,90	67	7	2,10	74	8	2,60	1,07	11
Rajasthan	2,04	80	8	2,06	80	9	2,28	1,02	9
Saurashtra	..	..	3	34	13	2	..	..	..
Travancore-Cochin	..	..	6	85	28	4	..	..	..
Kerala	..	..	..	90	30	6	2,44	88	10
Uttar Pradesh	9,20	3,32	36	9,25	3,32	37	10,25	4,22	36
West Bengal	6,57	1,30	25	6,69	1,34	26	7,55	1,75	27
Jammu and Kashmir	..	..	..	..	..	..	70	28	2
TOTAL	55,01	17,04	2,32	58,75	18,22	2,41	65,98	23,37	2,43

Opium.—The details of opium revenue are as follows:—

STATEMENT V

	1955-56 Account	1956-57 Budget	1956-57 Revised	1957-58 Budget
Sale in India—				
Sale of Raw opium to State Governments	53·00	44·40	27·66	32·03
Sale of medical opium	2·00	2·50	3·10	3·25
Sale of alkaloids of opium	13·00	11·00	14·44	14·50
Sale to countries outside India—				
Sale of Raw opium	1,36·00	1,48·05	1,74·66	1,95·85
Sale of medical opium	..	0·03	..	..
Sale of alkaloids of opium	4·00	3·16	3·23	3·50
Miscellaneous	1·00	0·91	0·95	0·91
TOTAL	2,09·00	2,10·05	2,24·04	2,50·04
Deduct— Refunds	..	—0·05	—0·04	—0·04
Net Revenue	2,09·00	2,10·00	2,24·00	2,50·00

INTEREST RECEIPTS : The estimates are as follows :—

	1956-57 Budget	1956-57 Revised	1957-58 Budget
India	5,27	5,02	4,65
England	22	22	25
TOTAL	5,49	5,24	4,90

The receipts in India are mostly on account of loans and advances made by the Central Government to Government servants, local bodies and private concerns including State statutory undertakings like the Sindri Fertilizers and Chemicals Ltd., etc., while those in England represent mainly the interest earnings of the Silver Redemption Reserve investments. The estimates are based on the trend of actuals and the latest information available.

The slight fall in Revised is mainly due to refund to the Government of Hyderabad of the interest realised on the *ad hoc* O.S. securities taken over by the Central Government as part of the assets of the Hyderabad Paper Currency Reserve. Currnt Budget and Revised include cetain arrear payments of interest by Sindri Fertilizers and Chemicals Limited Absence of such arrears account fo the fall in the receipts next year.

Civil Administration.—The revenue is distributed over a number of heads. The increase this year is mainly on account of dividend recovered from the Sindri Fertilisers and Chemicals Limited, larger realisation of departmental charges by the Supply Organisation for purchase and inspection of stores and changes in classification of import and export licence fees which have been transferred from "XLVI—Miscellaneous" to "XXXVI.—Miscellaneous Departments" under the group head "Civil Administration".

The heavy increase next year is almost entirely due to the inclusion of the transactions relating to the Steel Equalisation Fund, which have hitherto been kept outside the Government accounts.

Under the Iron and Steel Control Order, 1941, issued under the Defence of India Rules, powers were obtained to control the production distribution and prices of iron and steel The provisions of the Order continue to be in force by virtue of the Essential Commodities Act, 1955. The Steel Equalisation Fund was created in February, 1943, under the said Order for the purpose of fixing a uniform selling price of iron and steel in India, by equalising freight, the concessional rates payable to the producers of other disadvantages The Fund was built up by recovering from the main steel producers the difference between the prescirbed sale price for the public (known as equalised price) and the price they would charge to Government on the basis of their cost of production (retention price). The scope of the Fund was widened from time to time and it is at present utilised mainly for the following purposes:—

(1) subsidising imported iron and steel by paying the difference in price between imported and indigenous steel, so that the former could also be sold at the indigenous price;

(2) granting repayable advances to main producers for the approved development and expansion schemes; and

(3) fixation of uniform prices for sale of iron and steel at all rail-heads.

It has been decided that with effect from the 1st April, 1957, the transactions of the Fund should be passed through the Consolidated Fund of India. Thus, the surcharge recoverable from the manufacturers representing the difference between equalised and retention prices would first be credited to the Consolidated Fund as Revenue receipts and an equivalent amunt transferred to the Fund by obtaining the vote of the Parliament on the expenditure side. Similarly, expenditure from the Fund by way of sibsidies or loans etc., will first be provided for in the relevant Demands but simultaneously shown as recovered from the Fund.

The next year's estimates assume a credit of Rs. 27·92 crores consisting of Rs. 9·39 crores, being the estimated cash balance of the Fund on the 31st March, 1957, and Rs. 18·53 crores as the estimated revenue from surcharge on iron and steel during the year.

Currency and Mint.—The main items that comprise Currency and Mint receipts are:—

	1956-57 Budget	1956-57 Revised	1957-58 Budget
Currency			
(1) Surplus profits of the Reserve Bank	20,00·00	20,00·08	30,00·00
(2) Value of one rupee note forms	69·20	88·46	1,07·96
(3) Value of unclaimed currency notes, etc.	1·28	1·70	1·88
(4) Other receipts from the Currency Note Press	1,18·50	1,37·68	1,83·67
(5) Miscellaneous Refunds	..	—59·21	..
TOTAL	21,88·98	21,68·71	32,93·51

Surplus profits of the Reserve Bank transferable to Government next year have been assumed at Rs. 30 crores against the current year's figure of Rs. 20 crores.

	1956-57 Budget	1956-57 Revised	1957-58 Budget
(1) Profits from circulation of small coins	1,70·51	2,50·00	3,00·00
(2) Miscellaneous Mint receipts	7·98	29·05	8·80
TOTAL	1,78·49	2,79·05	3,08·80

Prior to 1956-57, the transactions relating to the coinage operations of the Government of India were kept in the Public Account outside the Consolidated Fund of India. The net profit on coins passed into circulation during the year was transferred to a suspense head and credit for a fixed sum of Rs. 45 lakhs plus the actual Mint expenditure during the year was taken as Mint receipts in the Revenue budget by debit to the suspense head. In order to bring the transactions within the Consolidated Fund of India the accounting procedure has been changed with effect from 1st April, 1956. The expenditure on purchase and acquisition of metal for coinage is now treated as a Capital charge and the loss on destruction of coins returned as unfit for re-issue is debited to the Revenue budget. The profit on coins put into circulation during the year is also transferred direct to the Revenue budget as Mint receipts. These changes in accounting are responsible for the variation in the Revised and the Budget in respect of profits from circulation of small coins. The increase in Budget is also partly attributable to the introduction of decimal coinage with effect from 1st April, 1957.

Other Sources of Revenue.—The principal heads that come under this description are Land Revenue; State Excise Duties, Stamps, Forest, Registration, Taxes on Vehicles and Other Taxes, Superannuation,

Stationery and Printing, Miscellaneous and Extraordinary Receipts. Details by the major heads are:—

	1956-57 Budget	1956-57 Revised	1957-58 Budget
Land Revenue	46	51	58
State Excise Duties	6	56	1,39
Stamps	1,65	1,96	2,41
Forest	1,00	1,68	2,23
Registration	2	5	9
Taxes on Vehicles	5	14	31
Other Taxes and Duties	17	82	2,23
Irrigation works	..	1	2
Miscellaneous adjustments between the Centre and States	.	4	3
Receipts in aid of superannuation	72	45	73
Stationery and Printing	33	39	86
Receipts from Road Transport Schemes	6	8	11
Miscellaneous	14,34	12,13	6,61
Extraordinary Receipts	53	46	10,54
TOTAL	19,39	19,31	27,04

The profits from sale of sugar imported on Government account were assumed in the original Budget at Rs. 5 crores. These are now likely to be of the order of Rs. 3 crores only. The sale proceeds of acquired evacuee property are now estimated at Rs. 2½ crores as against Rs. 5 crores assumed in the original Budget. The shortfall of Rs. 4½ crores would, however, be almost covered by the increase under other heads mainly on account of revenues accruing from Delhi and Himachal Pradesh, which have now become Union Territories and to the extent of Rs. 2 crores by the transfer of the outstanding balances in the State Deposit Accounts, which accommodated the transactions of the former merged States prior to Federal Financial Integration.

The increase of Rs. 8 crores next year is on account of full year's revenue receipts of the Union Territories of Delhi and Himachal Pradesh and also on account of receipt from the Government of U.S.A. of a grant of Rs. 10 crores under Public Law 480, partly counter-balanced by the absence of provision for the profits on imported sugar. Next year's estimates also assume Rs. 2·5 crores as sale proceeds of acquired evacuee property.

Posts and Telegraphs.—The table below indicates how the net contribution of Rs. 5,30 lakhs this year and Rs. 3,94 lakhs next year has been arrived at:—

	1956-57 Budget	1956-57 Revised	1957-58 Budget
Gross Receipts	52,49.00	56,11.00	62,07.50
Working Expenses	48,32.13	48,32.30	55,36.01
NET RECEIPTS	4,16.87	7,78.70	6,71.49
Interest	2,57.33	2,49.10	2,77.23
NET REVENUE	1,59.54	5,29.60	3,94.26

The broad details of the gross receipts are given below:—

Postage and Message Revenue—			
Sale of Stamps	27,64.50	28,64.34	31,30.20
Postal Receipts	2,84.70	3,28.55	3,74.65
Telegraph (including Radio) Receipts	2,52.45	2,75.90	2,75.90
TOTAL	33,01.65	34,68.79	37,80.75

Miscellaneous Revenues—			
Fees and other receipts	4.40	4.12	4.23
Postal Receipts (Receipts on account of Money Orders etc.)	4,35.40	4,58.66	5,07.80
Telegraph (including Radio) Receipts (Rent of wires, instruments, etc.)	76.51	86.85	1,74.20
Telephone Receipts (Rent of telephones, telephone call fees, etc.).	14,31.04	15,92.58	17,40.52
TOTAL . .	19,47.35	21,42.21	24,26.75
TOTAL REVENUE RECEIPTS . .	52,49.00	56,11.00	62,07.50

Details of expenditure are given in Statement X.

Railways.—Until 1954-1955 Railways used to pay to General Revenues a consolidated dividend of 4 per cent. on the capital at charge of Railways, other than on unremunerative strategic lines. Under the Railway Convention Resolution of 1954, this arrangement will continue for a further period of 5 years with effect from 1955-56, subject to the following modifications:—

(a) On the element of over-capitalisation in the railway capital structure, which has been estimated at Rs. 100 crores, only interest at the usual rates chargeable to commercial departments will be charged, and

(b) On capital expended on new lines, Railways will have a moratorium during the period of construction and 5 years thereafter; but from the 6th year after the opening of the lines to the traffic, the normal dividend of 4 per cent. will be paid, and, in addition, deferred interest for the period of the moratorium will be paid at the rate chargeable to commercial departments from the net earnings on the lines.

The total dividend payable by Railways to General Revenues is estimated at Rs. 37·69 crores this year and Rs. 43·79 crores next year. Of this Rs. 31·66 crores this year and Rs. 37·12 crores next year have been taken in reduction of expenditure under 'Interest', the balance of Rs. 6·03 crores this year and Rs. 6·67 crores next year have been treated as contribution to Revenue. The reduction in the Revised Estimates is due to the adjustment of Rs. 1·69 crores on account of interest overpaid by Railways in the post-partition period on the basis of *ad hoc* figures of capital invested in Railways. The balances have now been corrected and the interest recovery readjusted.

EXPENDITURE ESTIMATES

The Budget for 1956-57 provided for a total gross expenditure of Rs. 751·35 crores met out of Revenue. It is now estimated that expenditure during the current year would amount to Rs. 734·28 crores. The total gross expenditure during the coming year 1957-58 is estimated at Rs. 9,10·83 crores.

As explained in para. 6 of the Introductory Note the demands are for the actual expenditure exclusive of recoveries taken in the accounts in reduction of expenditure. A broad reconciliation of the gross expenditure and the net amount shown in the annual financial statement is given below:—

(In thousands of Rupees)

	1956-57 Budget Estimate	1956-57 Revised Estimate	1957-58 Budget Estimate
Total gross expenditure met from Revenue as shown in the demands for grants	7,51,34,78	7,34,27,99	9,10,83,36
Deduct—			
(a) Recoveries (shown in Annexure IX) adjustable in reduction of gross expenditure and taken into account in working out the net expenditure shown in Statement I	1,35,50,30	1,30,20,07	1,70,60,00
(b) Receipts of the Defence Services taken into account in working out the net expenditure on Defence Services shown in Statement I	14,83,88	17,45,14	13,47,25
(c) "Working Expenses" of commercial departments taken in reduction of gross revenue shown in Statement I—			
(i) Posts & Telegraphs	48,32,13	48,32,30	55,36,01
(ii) Irrigation Works	2,49	83	..
(iii) Road Transport Schemes	9,65	22,52	46,21
(iv) Electricity Schemes	11,49	8,35	7,70
(v) Govt. Collieries	4,44,19	1,94,83	..
(d) Interest payable by Posts and Telegraphs Department and included in working out the net earnings of that Department shown in Statement I	2,57,33	2,49,10	2,77,23
TOTAL—Deduction	2,05,91,46	2,00,73,14	2,42,74,40
Total expenditure shown in Statement of this memorandum and on Page 3 of the "Budget of the Central Gvvernment" (Annual Financial Statement)	5,45,43,32	5,33,54,85	6,68,08,96

Statement VI following shows the distribution of the total gross expenditure by the various Demands for Grants and Appropriations. As the expenditure shown in the annual financial statement is by major heads of account, Annexure IX to this Memorandum indicates how the estimated expenditure during the year 1957-58 under each major head is distributed over the various Demands for Grants and Appropriations.

STATEMENT VI—*Contd.*

(In thousands of Rupees)

	Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
1. Ministry of Commerce and Industry . . .	35,79	36,80	50,51
2. Industries	12,98,20	13,20,58	24,63,36
3. Salt	1,46,97	1,43,23	1,53,30
4. Commercial Intelligence and Statistics. . .	69,12	67,15	82,81
5. Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry .	1,64,05	1,54,92	1,43,68
6. Ministry of Community Development . .	..	..	20,76
7. Community Development Projects and National Extension Service	..	..	12,30,86
8. Ministry of Defence	34,05	32,38	35,47
9. Defence Services—Effective—Army . . .	1,50,23,19	1,55,92,75	1,72,38,28
10. Defence Services—Effective—Navy . . .	14,31,07	13,48,11	16,01,41
11. Defence Services—Effective—Air Force . .	48,16,99	42,96,76	69,81,49
12. Defence Services—Non-effective Charges . .	13,83,23	13,83,23	13,81,89
13. Ministry of Education and Scientific Research .	..	..	65,24
14. Archaeology	83,26	68,87	96,93
15. Survey of India	1,60,64	1,60,64	1,64,85
16. Botanical Survey	9,49	7,44	10,67
17. Zoological Survey	11,17	6,02	10,24
18. Geological Survey	1,56,97	1,04,60	95,55
19. Scientific Research.	3,36,49	3,20,04	3,56,19
20. Other Scientific Departments	3,25,96	2,29,93	2,76,24
21. Education	21,07,99	19,85,80	25.869
22. Miscellaneous Departments and Expenditure under the Ministry of Education and Scientific Research	..	..	1,95,54
23. Tribal Areas	6,66,08	5,47,79	5,82,02
24. External Affairs	7,43,62	8,36,03	8,30,47
25. State of Pondicherry	3,04,49	2,93,66	3,30 51
26. Miscellaneous Expenditure under the Ministry of External Affairs.	5,53	5,87	3,61
27. Ministry of Finance	1,34,70	1,35,11	1,54,94
28. Customs	3,46,30	3,04,85	4,03,13
29. Union Excise Duties	23,62,20	24,80,23	26.60,79
30. Taxes on Income including Corporation tax and Estate Duty	4,47,03	4,37,68	4,68,79
31. Opium	1,66,63	1,64,52	2,11,07
32. Stamps	1,55,40	1,59,74	1,73,79
33. Audit	8,79,67	8,96,25	9,51,83
34. Currency	2,50,11	2,69,20	3,68,41
35. Mint	1,33,49	2,40,43	3,12,18
36. Territorial and Political Pensions . . .	31,71	31,37	27 95
37. Superannuation Allowances and Pensions . .	3,27,27	3,43,31	3,47,02
38. Miscellaneous Departments and other Expenditure under the Ministry of Finance . .	25,35,29	21,93,31	25,44,53
39. Planning Commission	..	..	1,64,61
40. Miscellaneous Adjustments between the Union and State Governments	4,73	6,73	6,10
41. Pre-partition payments	1,06,04	1,27,97	70,00
Charged—Interest on Debt and other Obligations and Reduction or Avoidance of Debt .	1,08,55,94	1,06,76,39	1,19,33,05
Charged—Grants-in-aid to States . . .	37,95,00	29,53,48	25,16,66
42. Ministry of Food and Agriculture . . .	75,44	61,01	79,60
43. Forest	2,97,71	1,83,48	2,07,02
44. Agriculture	16,38,61	13,15,18	16,40,27
45. Civil Veterinary Services	1,32,17	1,29,82	1,44,35
46. Miscellaneous Departments and other Expenditure under the Ministry of Food and Agriculture	5,78,61	5,92,20	6,47,59
47. Ministry of Health	10,55	11,59	13,13
48. Medical Services	4,03,18	3,15,19	3,88,17
49. Public Health	9,30,07	7,73,19	9,17,65
50. Miscellaneous Expenditure under the Ministry of Health	95,35	92,28	1,03,81
51. Ministry of Home Affairs	2,23,41	2,08,47	2,63,68
52. Cabinet	33,04	37,08	36,56

STATEMENT VI—*contd.*

	Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
	(In thousands of Rupees)		
53. Zonal Councils	..	2,55	4,51
54. Police	2,11,51	2,55,84	4,87,43
55. Census	19,54	19,55	8,49
56. Privy Purses and Allowances of Indian Rulers	5,45,46	5,45,07	5,54,48
57. Delhi	1,67,96	4,98,45	7,01,63
58. Himachal Pradesh	..	2,43,99	4,69,12
59. Andaman and Nicobar Islands	2,41,56	2,19,23	2,74,27
60. Manipur	1,27,92	1,14,60	1,47,53
61. Tripura	2,19,74	2,20,25	2,39,09
62. Lacadive Minicoy and Admindive Islands	..	3,00	14,65
63. Miscellaneous Departments and Expenditure under the Ministry of Home Affairs	5,23,74	4,56,05	10,52,38
64. Ministry of Information and Broadcasting	11,33	12,08	13,21
65. Broadcasting	3,16,25	3,16,07	3,79,89
66. Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting	2,56,40	2,45,67	3,47,04
67. Ministry of Irrigation and Power	15,16	18,61	17,37
68. Multipurpose River Scheme	1,07,44	1,06,88	1,60,33
69. Miscellaneous Departments and other Expenditure undr the Ministry of Irrigation and Power	86,83	73,03	98,08
70. Ministry of Labour and Employment	15,81	14,93	16,94
71. Chief Inspector of Mines	24,40	16,94	23,84
72. Miscellaneous Departments and other Expenditure under the Ministry of Labour and Employment	3,84,86	3,36,48	8,66,57
73. Ministry of Law	2,78,25	2,70,87	1,72,38
74. Administration of Justice	12,46	12,45	14,99
75. Miscellaneous Expenditure under the Ministry of Law	5,28	5,89	6,25
76. Ministry of Rehabilitation	32,76	38,93	43,75
77. Expenditure on Displaced Persons	21,42,03	21,86,30	22,50,26
78. Ministry of Steel, Mines and Fuel	..	..	31,15
79. Mines	53,51	54,35	48,63
80. Exploration of Oil and Natural Gas	58,83	38,83	2,57,67
81. Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel	..	..	55,96,93
82. Ministry of Transport and Communications	..	..	72,09
83. Indian Posts and Telegraphs Department	55,10,05	55,03,76	62,43,93
84. Ports and Pilotage	68,33	59,57	63,17
85. Lighthouses and Lightships	1,07,70	98,08	1,38,56
86. Meteorology	1,36,56	1,33,81	1,52,29
87. Overseas Communications Service	1,11,77	1,04,91	1,21,59
88. Aviation	3,79,23	3,47,34	3,56,63
89. Central Road Fund	5,44,69	4,27,52	4,28,19
90. Communications (including National Highways)	5,56,00	5,40,86	5,72,68
91. Miscellaneous Departments and other Expenditure under the Ministry of Transport and Communications	..	..	1,57,94
92. Ministry of Works, Housing and Supply	57,20	50,48	56,01
93. Supplies	2,34,50	2,48,38	2,61,14
94. Other Civil Works	19,85,48	20,33,75	21,00,04
95. Stationery and Printing	6,14,23	6,19,21	6,89,77
96. Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply	65,46	71,90	89,86
97. Department of Atomic Energy	7,10	7,50	8,70
98. Atomic Energy Research	2,00,00	2,00,00	3,10,00
99. Department of Parliamentary Affairs	1,49	1,48	1,91
100. Lok Sabha	94,74	94,84	1,21,36
101. Miscellaneous Expenditure under Lok Sabha	30	30	34
102. Rajya Sabha	35,31	34,77	37,59
Charged—Staff, Household and Allowances of the President	17,87	18,75	18,38
103. Secretariat of the Vice-President	55	35	62

STATEMENT VI—*concld.*

(In thousands of Rupees)

	Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
Charged—Union Public Service Commission	32,36	37,90	36,74
Ministry of Communications	16,52	16,44	..
Miscellaneous Departments and expenditure under the Ministry of Communications	16,51	12,94	..
Miscellaneous Expenditure under the Ministry of Defence	2,10	2,10	..
Ministry of Education	47,05	45,99	..
Miscellaneous Departments and Expenditure under the Ministry of Education	2,83,93	1,93,50	..
Payments to Other Governments, Department, etc. on account of the administration of Agency subjects and management of Treasuries	1,61	1,52	..
Kutch	1,47,66	69,39	..
Relations with States	41,52	70,54	..
Ministry of Iron and Steel	9,72	8,70	..
Employment Exchanges and Resettlement	2,12,19	1,91,13	..
Civil Defence	1,12	99	..
Ministry of Natural Resources and Scientific Research	12,45	13,39	..
Miscellaneous Expenditure under the Ministry of Natural Resources and Scientific Research	23	3,03	..
Ministry of Production	26,75	15,97	..
Other Organisations under the Ministry of Production	7,79,68	13,52,17	..
Government Collieries	4,44,19	1,94,83	..
Miscellaneous Departments and Expenditure under the Ministry of Production	1,15,08	1,17,74	..
Miscellaneous Expenditure under the Ministry of Rehabilitation	4	10	..
Ministry of Transport	48,58	48,56	..
Miscellaneous Department, etc. of the Ministry of Transport	43,90	24,77	..
TOTAL	7,51,34,78	7,34,27,99	9,10,83,36

NOTES ON EXPENDITURE ESTIMATES

Details of provision included in the various Demands and Appropriations both by sub-heads and by circles of account are given in the Book of Demands (Vols. I and II) and in the Demands for Grants relating to the Defence Services and the Posts and Telegraphs Department. In the following notes in this Section, mention has been made of the more important reasons for the variations between the budget and revised estimates for the current year and between the revised estimates for the current year and the budget estimates for the next year under the various Demands for Grants and Appropriations, excepting such as are self-explanatory.

Unless otherwise, stated, all figures quoted hereafter in this Section are in thousands of Rupees.

Ministry of Commerce and Industry:

Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
35,79	36,80	50,51

This Ministry was bifurcated during the year 1956-57 into the Ministries of Commerce and Consumer Industries, and Heavy Industries, the expenditure on which was met from the provision made in this De-

mand. The two Ministries have since been amalgamated into the Ministry of Commerce and Industry with effect from 17th April 1957, except for a small portion of the work relating to the late Ministry of Heavy Industries which has been taken over by the Ministry of Steel, Mines and Fuel. A portion of the work relating to the late Ministry of Production has also been taken over by this Ministry which explains mainly the increase in the budget.

Industries:

Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
12,98,20	13,20,58	24,63,36

The large increase in the budget is partly due to the transfer from the former Ministry of Production to the Ministry of Commerce and Industry, the expenditure on the all-India Handicrafts Board, Silk Industries, Handicrafts, the Central Sericultural Research Station, Development of Khadi and Village Industries, etc. Increased provision made for the development of Cottage and Small Scale Industries, the development of Handloom Industry, Payment of Cess collections to the Indian Coffee Board, the Indian Tea Board, the Indian Rubber Board and the Indian Coir Board and a provision of about Rs. 3·12 crores for grants-in-aid to the All-India Khadi and Village Industries Commission for the Ambar Charkha programme also contribute to the increase.

Salt:

Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
1,46,97	1,43,23	1,53,30

The increase in the budget is mainly on account of more provision made for the manufacture and sale of salt, expansion of the Supervisory Establishment and interest charges.

Commercial Intelligence and Statistics:

Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
69,12	67,15	82,81

Budget allows for an increase in the strength of the Department and particularly in the establishment of the Trade Commissioners.

Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry:

Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
1,64,05	1,54,92	1,43,68

Decrease in the revised and the budget is mainly explained by less provision made for participation in international exhibitions and fairs. A provision of Rs. 1·65 lakhs for the Export Promotion Directorate is one of the important new items of expenditure appearing in the budget.

Ministry of Community Development:

Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
..	..	20,76

The opening of the Demand follows from the creation of the Ministry of Community Development during the current year. The expenditure this year was met from within the Demand "Misc. Depts. and other expenditure under the Ministry of Finance" in which the budget provision had been made.

Community Development Projects and National Extension Service:

Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
..	..	12,30,86

This Demand accommodates provision for grants to States for Community Development Projects, National Extension Service, the Development Officers' Training Scheme, the Programme Evaluation Organisation. Study tours etc. The provision in respect of these items was appearing previously in the Demand "Miscellaneous Departments and other expenditure under the Ministry of Finance".

There is less provision next year for Community Development projects due to the completion of the scheduled period of operation of the Community Development Projects/Blocks of 1952-53 and 1953-54 series.

Provision has, however, been made next year for an additional Training Centre for the Block Development Officers and for the new schemes of Training of Village Leaders and the Training of School teachers.

Defence Services:

Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
226,54,48	226,29,85	272,03,07

The sub-heads of this Demand give broad details of the expenditure on Defence Services met from revenue and full details are given in the separate memorandum circulated with the Budget papers.

Ministry of Education and Scientific Research:

Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
..	..	65,24

This Ministry which came into being on 17th April 1957 represents the late Ministry of Education and the work relating to Scientific Research taken over from the late Ministry of Natural Resources and Scientific Research. The budget includes a provision of Rs. 61·50 lakhs against the provision of Rs. 45·99 lakhs in the revised estimates for the late Ministry of Education in 1956-57. The balance of Rs. 3·74 lakhs is for the work transferred from the late Ministry of Natural Resources and Scientific Research.

Archaeology:

Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
83,26	68,87	96,93

Fall in the revised estimates is due mainly to certain vacant posts and less expenditure on special and annual repairs to monuments.

Increase in the next budget is explained mainly by more provision made for the Directorate, including provision made for a reprint of the first 10 volumes of the Epigraphica Indica and the taking over of the Kashmir monuments, intensification of the excavation work at Nagarjunakunda, and the new Bodh Gaya Museum.

Survey of India:

Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
1,60,64	1,60,64	1,64,85

Increase in the next budget is mainly on account of more provision made in respect of survey parties, particularly for certain miscellaneous expenditure in connection with the survey operations such as the conveyance of tents, stores, records etc. and rent of offices and godowns.

Botanical Survey:

Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
9,49	7,44	10,67

Increase in the next budget is due mainly to provision made for the posts remaining vacant during this year, and more provision made for the National Herbarium, the Central Botanical Laboratory and for the expansion and reorganisation of the Botanical Survey of India.

Zoological Survey:

Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
11,17	6,02	10,24

Delay in the execution of certain new schemes accounts for the fall in the revised estimates. Next budget provides for the expansion of the Department and more expenditure on new schemes.

Geological Survey:

Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
1,56,97	1,04,60	95,35

Transfer of the Coal Prospecting Scheme provided for in the original budget to the Indian Bureau of Mines accounts mainly for the fall in the revised estimates. Next budget provides for an increase in the strength of the Department particularly in connection with the All-India exploratory well-drilling programme under the Ground Water Exploratory Project. The decrease in the provision next year is however due to less provision made for material and equipment to be received under the T.C.M. Programme.

Scientific Research:

	Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
	3,36,49	3,20,04	3,56,19

The important items included in this Demand are given below:—

Grants to the Council of Scientific and Industrial Research	2,25,00	2,25,00	2,50,00
Grants-in-aid and donations to Scientific Societies and Institutes	57,35	51,43	32,23

Compilation of the National Atlas of India	13,40	5,93	5,00
Schemes for Vigyan Mandirs	5,00	3,61	3,25
Material and equipment under the T.C.M. Programme and the Colombo Plan for the Council of Scientific and Industrial Research	25,00	25,00	60,00

Increase in the payment of grants to C.S.I.R. next year is due mainly to the provision made for certain new Institutes and Research Centres set up under the Council during this year, such as the Central Mining Research Station, Dhanbad, the Indian Institute of Bio-chemistry and Experimental Medicine at Calcutta, the Regional Research Laboratory, Hyderabad, the Birla Industrial and Technological Museum, Calcutta, the Salt Research Station, Jaipur, the Ionospheric Investigation Station, Haringhata etc. and the provision for certain new Institutes to be opened next year, such as the Essential Oil Research Centres, the Wind Power Station and the Biophysics Research Centres.

Other Scientific Departments:

Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Rs.	Rs.	Rs.
3,25,96	2,29,93	2,76,24

The important items included in this Demand are given below:—

Anthropological Survey	12,49	9,43	15,88
Grants to State Govts. for development of Scientific and Technical Research	2,45,00	1,52,85	1,10,20
Grants to Indian Institute of Sciences, Bangalore	21,00	21,00	26,00
National Museum	3,00	2,17	4,02
Research Trainingships	15,00	15,00	13,00
Practical Training Stipends	6,50	6,50	8,00
Grants to individual Research worker for Fundamental Research	3,00	3,00	4,00
Grant to Central Museum, Calcutta	1,31	1,32	1,39
Direct grants for the development of Scientific and techncial education	18,55	..	90,00

Decrease in the revised estimates is mainly under grants to State governments due to the delay on their part in executing the schemes. Next budget generally follows the revised.

Education:

Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Rs.	Rs.	Rs.
21,07,99	19,85,80	25,86,61

The important items of expenditure included in the next budget are as follows:—

	Budget, 1957-58 Rs.
Grants to the University Grants Commission	4,17,00
Grants to other Universities and non-Govt. Arts Colleges	5,02
Grants to non-Govt. Secondary Schools	4,53
Grants to the Indian Institute of Technology, Kharagpur	64,00
Grants to the Western Higher Technological Institute, Bombay	21,00
Delhi Polytechnic	23,40
Central Institute of Education	3,44
Educational Institutions abroad	6,27
National Gallery of Modern Art	1,75
Training Centre of the Adult Blind, Dehra Dun	2,93
Development of Hindi and other State Languages	15,11
Scholarships to students of Scheduled Castes, scheduled tribes and other backward classes	1,50,00

	Budget, 1957-58
	Rs.
Grants to State Govts. for pre-primary, elementary and basic education, basic women's education, Audio-Visual aid to education, Library, Development and Relief of educated unemployed	5,20,00
Grants to States for Secondary Education, Rural Higher Education, Educational and Vocational guidance, Education of Handicrafts and Juvenile Delinquency	4,25,00
Grants to States for the revision of pay scales of school teachers	2,00,00
Grants to institutions for pre-primary, elementary and basic education, basic women's education, audio-visual aid to education, etc.	84,10
Grants to institutions for Secondary Education, Rural higher education, educational and vocational guidance, etc.	1,65,58
Physical Education, sports and youth welfare	52,00
All-India Council of Secondary Education	36,00
Govt. scholarships for advanced studies abroad	3,77
Cultural delegations to and from foreign countries	21,80

Due to the re-arrangement of the sub-heads, the provision made next year against the above items is not properly relatable to the provision made in the current budget which stands distributed among different sub-heads. There is an overall increase in the next budget reflected mainly on grants in-aid to the University Grants Commission and other Universities, and on grants-in-aid to State Governments, including a provision of 2 crores made for grants to State Governments for the revision of pay scales of primary school teachers.

Miscellaneous Departments and Expenditure under the Ministry of Education and Scientific Research:

Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Rs.	Rs.	Rs.
..	..	1,95,54

This Demand accommodates the items of expenditure which were being shown previously under the Demands for "Miscellaneous Departments and Expenditure" under the Ministries of Education and of Natural Resources and Scientific Research. Against the budget of Rs. 1,95,54 lakhs there was a provision of Rs. 283·93 lakhs and Rs. 193·50 lakhs in the budget and revised Estimates respectively in the Demand "Miscellaneous Departments and Expenditure under the Ministry of Education" for 1956-57, the shortfall in the revised being due mainly to the reduction in the requirements of the Central Social Welfare Board to the extent of Rs. 87 lakhs.

Tribal Areas:

Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Rs.	Rs.	Rs.
6,66,08	5,47,79	5,82,02

The expenditure provided for in this Demand relates to the North Eastern Frontier. Broad details of the provision are given below:—

	Rs.	Rs.	Rs.
Assam Rifles	2,64,60	2,55,40	2,67,90
Buildings	9,84	7,19	3,26
Political and Administrative charges	1,83,07	1,73,02	1,77,74
Works	61,47	21,18	21,00
Scheme of Economic Development of Tribal Areas	91,51	44,55	1,09,02
Miscellaneous Expenditures	41,72	37,27	3,12

Revised shows a fall mainly on account of the slow progress of certain schemes for the economic development of Tribal areas, and the adjustment of expenditure on certain works under capital, the provision for which had been wrongly made in this Demand.

Next budget provides for the strengthening of the Assam Rifles and the general administrative set-up. Provision for certain expenditure which was being shown under 'Miscellaneous Departments' has been included next year under the "Scheme of Economic Development of the Tribal Areas".

External Affairs:

Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
7,43,62	8,36,03	8,30,47

Broad details of the provision are as under:—

Ministry of External Affairs	97,22	1,00,69	1,03,17
Embassies and Missions abroad	2,69,26	2,87,37	3,01,15
High Commissions and Agents in Commonwealth Countries	86,91	1,01,08	98,70
Subsidies to Sikkim and Bhutan	53,25	43,25	68,00
Entertainment charges	15,35	25,40	17,37
Special Diplomatic Expenditure	10,53	20,83	11,07
Central Pass-port Organisation	16,65	17,71	21,81
Contribution to the U.N.O.	45,70	63,78	63,78
Expenditure on development measures	12,71	12,70	6,61
Indian Delegation to the International Armistice Supervisory Commission in Indo-China	40,00	37,71	52,34

Increase in the revised estimates is mainly due to the free gift of 5,000 tons of rice to East Pakistan, the increase in India's contribution to the U.N.O., the increase in the Special Diplomatic expenditure towards presents to the Government of Nepal, and more expenditure on the establishment of the Indian Missions abroad following the revision in the rates of foreign allowance and the grant of children's education allowance to officers and staff of the missions. Next budget provides for the opening of four new missions abroad at Oslo, Khartoum, Madrid and Morocco and an increase in the strength of the existing missions.

State of Pondicherry:

Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
3,04,49	2,93,66	3,30,51

Less expenditure on the establishment of the Medical College and on the construction of a new pier are mainly responsible for the decrease in revised estimates.

Increase in the next budget is mainly due to larger provision for Civil Works and for the new pier.

Miscellaneous expenditure under the Ministry of External Affairs:

Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
5,53	5,87	3,61

Fall in the next budget is due mainly to the absence of provision next year for writing off to Revenue of the loss incurred in England on the lease of a building site, which was carried out this year.

Ministry of Finance:

Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Rs.	Rs.	Rs.
1,34,70	1,35,11	1,54,94

The increase in the revised and the next budget takes into account the expansion of the Ministry following the increase in activities of other Ministries and Departments. Mention may be made in particular of the expansion of the Cost Accounts Organisation, the Commerce, Industries and Steel Division and the provision made for the setting up of a Printing Press in the Ministry.

Customs:

Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Rs.	Rs.	Rs.
3,46,30	3,04,85	4,03,13

Decrease in the revised estimates is mainly due to less charges paid to the Union Excise Department for Sea Customs work at the ports. Increase in these charges next year as also in the charges payable to the Union Excise Department for Land Customs Work, explains mainly the increase in the next budget. Provision has also been made next year for the expansion and reorganisation of the Customs Houses, and the purchase of additional launches for anti-smuggling and other purposes.

Union Excise Duties:

Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Rs.	Rs.	Rs.
23,62,20	24,80,23	26,60,79

The increase in revised is due mainly to the increase in the share of excise duties payable to the States by about 1·18 crores. Next budget allows for an increase of about Rs. 1 crore in the share payable to the States, as also for the expansion of the Department, including provision made for the full year in respect of posts created during the current year for the administration of the new excises levied under the Finance Act, 1956.

Taxes on income including Corporation Tax and Estate Duty:

Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Rs.	Rs.	Rs.
4,47,03	4,37,68	4,68,79

The increase next year follows the expansion of the Department, particularly in connection with the clearance of arrears of assessment.

Opium:

Budget, 1956-57	Revised, 1956-57	Budget 1957-58
Rs.	Rs.	Rs.
1,66,63	1,64,52	2,11,07

The fall in revised estimates is mainly explained by less payment to cultivators due to lower yield of opium than was originally anticipated. Next budget provides for an increase of about Rs. 46 lakhs under this head as more areas are likely to be brought under poppy cultivation.

Stamps:

Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Rs.	Rs.	Rs.
1,55,40	1,59,74	1,73,79

Increase in the revised is mainly due to certain additional posts created in the India Security Press. Next budget allows for a greater outlay on the purchase of stores for the India Security Press due to the anticipated increase in the demand for stamps.

Audit:

Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Rs.	Rs.	Rs.
8,79,67	8,96,25	9,51,83

The increase in the revised is due mainly to the payment of certain arrears of pay and allowances in the audit offices of the erstwhile Part B States, and the provision made for accounting machines, etc., in connection with the introduction of the Compulsory Scheme of Provident Fund for Class IV Government Servants in Bihar. Next budget provides for more staff for audit and accounting of expenditure in connection with the increased activities of the Central and the State Governments and the normal growth of expenditure.

Currency:

Budget 1956-57	Revised, 1956-57	Budget, 1957-58
Rs.	Rs.	Rs.
2,50,11	2,69,20	3,68,41

Increase in the revised and next budget represents heavier demand for bank currency notes from the Reserve Bank of India and the printing of more one-rupee note forms.

Mint:

Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Rs.	Rs.	Rs.
1,33,49	2,40,43	3,72,18

Consequent on the decision taken with effect from 1st April, 1956 to adjust certain transactions in the Coinage Account, namely, the purchase of metal, the profit on the circulation of coins and the loss on the destruction of coins, under the Consolidated Fund of India, provision has been made in this demand in the revised and the budget of Rs. 1 crore and Rs. 1·28 crores respectively towards loss on the destruction of coins. Increase in the revised and budget is also explained by the additional expenditure in connection with the introduction of decimal coinage from

1st April, 1957. Budget includes a provision of Rs. 33 lakhs for meeting the incidental charges in connection with the return of lease-lend silver to U.S.A.

Territorial and Political Pensions:

Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Rs.	Rs.	Rs.
31,71	31,37	3795

This demand accommodates expenditure on territorial and political pensions. Decrease next year is mainly on account of less payment of arrears of Income-tax and Super-tax on the annuity of the Nawab of Murshidabad.

Superannuation Allowances and Pensions:

Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Rs.	Rs.	Rs.
3,27,27	3.43,31	3.47,02

The provision under this head is based on the trend of past and current actuals as reported by the Accounts Officers. Increase in the revised estimates is mainly due to more expenditure on gratuities and on the equated payments of commuted value of pensions transferred from Capital.

Miscellaneous Departments and Other Expenditure under the Ministry of Finance:

Budget, 1956-57	Revised 1956-57	Budget, 1957-58
Rs.	Rs.	Rs.
25,35,29	21,93,31	25.44.53

The important items for which provision has been made in this Demand are shown below:—

(In thousands of Rupees)

Joint Stock Companies	10.06	11.78	12.96
Company Law Investment Administration	4.10	2.66	4.01
Controller of Insurance	9.03	8.80	7.84
Grants-in-aid for Statistical Purposes	37.39	37.39	..
Planning Commission	36.31	36.76	..
Research Programme Committee	15.80	11.73	..
Committee on Plan Projects		1.00	.
Programme Evaluation Organisation	10.83	1.83	..
Contributions	14.61	5.90	12.77
Small Savings Scheme	22.02	26.21	34.88
National Savings Commissioner	7.97	2.86	3,74
Service Charges in connection with purchase: Dollars from I. M. F.	..	34.67	12,95
Industrial Finance Corporation	11.25	11.25	..
Contribution to U.N.O.	21.42	21.43	23.80
Economic Aid under the Colombo Plan	1,44.82	1.06 12	1 00,00
Technical Aid to S. & S. E. Asia	26.00	26.01	25,00
Local Living Cost of U. N. Experts	11.00	2.50	12.20
Community Projects Administration	17,10	5.87	.
Ministry of Community Development	..	11.06	..

	Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
	(In thousands of Rupees)		
Social Education Organisers Training Scheme	9,82	10,04	..
Seminars	40	40	..
Training of Staff for C. P. & N.E.S.	5,13	3,54	..
Study Tours and in-service training to personnel engaged in C.P. & N.E.S.	8,00	10,79	..
Court of Liquidators under Banking Companies Act	76	86	88
Community Development Project	5,65,00	4,84,60	..
National Extension Service	7,92,43	5,83,53	..
Assistance for Natural Calamities	5,00,00	5,00,00	7,00,00
Public Cooperation	25,00	5,00	10,00
Assistance to States for raising the emoluments of the low-paid employees	..	..	5,00,00
Payments to State Governments	9,69	9,58	16,72
Multipurpose National Sample Survey	97,73	91,39	..
Finance Commission	3,75	3,25	3,02
Foreign Exchange Regulations Unit	2,00	2,41	3,15
United Nations Resident Technical Assistance Representative	1,00	1,10	1,44
Travancore-Cochin Banking Enquiry Commission	97	1,02	..
Loss or Gain by Exchange—American Wheat Loan and I.B.R.D. Loans	5,21	5,63	5,77
Transfer of Grants from U.S.A. under P. L. 480) to Special Development Fund	.	..	10,00,00
Loss on demonetisation of currencies of former Indian States	2,00	3,50	10,96
Repayment of Capital Grants for Local Development Works	70,45	63,88	..
Repayment of Capital Expenditure of Grants for Development—Development Grants to States	26,63	37,50	37,50
Other items	41	9,46	3,94
	25,35,29	21,03,31	25,44,53

The decrease in the revised estimates is mainly due to less expenditure on economic aid to Nepal for construction of the Trisul Road, the survey of which has only been completed so far, the slow progress in schemes under the National Extension Service as certain material and equipments under the T.C.M. programme could not be received during the current year, and less expenditure on Public Co-operation.

Next budget provides for increased grants and contributions to the U.N.O. and the Indian Institute of Public Administration; to the States for raising the emoluments of low-paid employees and for enhanced grants for natural calamities. It also includes a provision of 10 crores for transfer of grants to be received from U.S.A. next year under the Special Development Assistance Programme (PL 480) to the Special Development Fund, for being spent on approved schemes of development. No provision has, however, been made next year for the Multi-purpose National Sample Survey and Grants-in-aid for statistical purposes which have been transferred to Demand "Miscellaneous Expenditure under the Ministry of Home Affairs", for the Research Projects and National Extension Service" and for the "Planning Commis- which have been transferred to the Demand "Community Development Projects and National Extension Service" and for the "Planing Commission" for which a separate Demand has been opened.

Planning Commission:

Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Rs.	Rs.	Rs.
..	..	1.64,61

Expenditure of the Planning Commission was being provided for previously under the Demand "Miscellaneous Departments and Other Expenditure under the Ministry of Finance".

Provision has been made next year for enhanced expenditure on the Committee on Plan Projects which was set up during the current year and for the write-back of grants for local development works initially debited to Capital.

Miscellaneous adjustments between the Union and State Governments:

Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Rs.	Rs.	Rs.
4,73	6,73	6,10

This Demand accommodates provision in respect of payments made to the State Governments for administering the Petroleum, Explosives and Arms Acts on behalf of the Union Government. The fees realised under these Acts are paid to the State Governments to cover their expenditure on the administration of these Acts.

The increase in the Revised Estimates is due to anticipated larger realisation of fees and consequently more payments to States.

Prepartition payments:

Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Rs.	Rs.	Rs.
1,06,04	1,27,97	70,00

Revised estimates are based on the trend of actuals. Decrease in the next budget reflects the gradual decline in the outstandings relating to the prepartition period.

Interest on debt and other obligations:

Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Rs.	Rs.	Rs.
1,08,55,94	1,06,76,39	1,19,33,05

The payments on account of rupee, sterling, and other debt (details of which appear in the Demands for Grants) are broadly summarised below.

STATEMENT VII

Gross Payments

A.—Interests on Oridnary Debt—

	Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
	(In lakhs of rupees)		
(*i*) Rupee Debt—	Rs.	Rs.	Rs.
(*a*) Management of Debt	25·57	25·04	26·14
(*b*) Expenditure connected with the issue of new Loans and sale of securities held in the Cash Balance Investment Account	7·50	11·59	7·41
(*c*) Discount written off to revenue	1,16·66	1,16·84	1,46·31
(*d*) Interest on temporary loans	19,00·00	16,50·00	22,50·00
(*e*) Payments of prizes in respect of 5-year Interest-free Prize Bonds	0·01	.	..
(*f*) Interest on all other loans	48,57·89	48,57·93	52,08·72
(*g*) Other Items	0·80	0·67	0·70
(*ii*) Sterling Debt—			
(*a*) Interest on Loans contracted in England	2·69	2·29	2·29
(*b*) Interest on Railway Annuities	6·37	6·37	3·49
(*c*) Interest on outstanding liabilities of Railway Companies taken over on purchase	0·15	0·15	0·15
(*d*) Management of Debt	0·03	0·03	0·03
(*e*) Other Items.	11·97	11·97	12·58
(*iii*) Other Debt—			
(*a*) Interest on Dollar Loan from International Bank for Reconstruction and Development	81·96	83·61	81·17
(*b*) Interest on American Wheat Loan	2,26·20	2,26·20	2,25·32
(*c*) Interest on cost of steel Plant and Equipment from USSR	6·00	10·00	80·00
TOTAL	72,43·80	70,62·69	80,44·31

B—Interest on Unfunded Debt and Other Obligations:—

	Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Bonus on Post Office Certificates	8,66·90	8,62·42	9,40·02
Post Office Savings Bank Deposits	5,73·40	5,87·00	6,35·50
Interest on Ten-year Treasury Savings Deposits Certificates	1,44·94	1,44·12	1,54·98
State Provident Funds	5,95·15	6,34·45	6,74·96
Railway Depreciation Fund	3,30·52	2,45·60	3,37·52
Railway Revenue Reserve Fund	1,52·10	1,50·54	1,59·78
Railway Development Fund	27·81	54·46	67·51
Posts and Telegraphs Renewals Reserve Fund	18·44	19·60	22·91
Telephone Development Fund	8·53	9·66	10·06
Other Items	3,94·35	4,65·85	3,85·50
TOTAL	31,12·14	31,73·70	33,88·74
TOTAL—Gross Payments	1,03,55·94	1,01,76·39	1,14,33·05
Reduction or Avoidance of Debt	5,00·00	5,00·00	5,00·00
GRAND TOTAL	1,08,55·94	1,06,76·39	1,19 33·05

(a) A statement showing the outstanding rupee and sterling loans is given in Statement VIII.

(b) The amounts shown against items (a), (b), (c) under A(iii) represent respectively the interest and commission on the dollar loans taken from the International Bank for Reconstruction and Development for the Railways, Land Reclamation and Bokaro Thermal Projects, interest on the loan taken from the United States Government for the purchase of wheat and interest on cost of steel plant and equipment from U.S.S.R.

(c) The decrease this year is mainly under "Interest on temporary loans" due to less issue of Treasury bills than anticipated. More issue of treasury bills assumed next year and the growth in our debt liability with the raising of three new loans this year, with a total collection of about Rs. 157 crores account mainly for the increase in the next budget. Provision has been included next year for interest on new loan of Rs. 100 crores proposed to be floated during that year The estimates also include interest on Hyderabad State Loans taken over on 31st October 1956 under Section 82(1) of the States Reorganisation Act. An equal amount by way of interest, on such loans, is however, due to be recovered from the successor States and has been provided for under "Transfers" in this Demand. The net effect on interest charges on this account is therefore nil. The increase in "Interest on unfunded debt and other obligations" reflects the usual growth in the balances of small Savings, Provident Funds, Depreciation Funds and similar other accounts.

(d) Reduction or Avoidance of Debt —The usual provision of Rs. 5 crores has been made

STATEMENT VIII

(In lakhs of rupees)

Particulars	Date of issue	Earliest date of maturity	Estimated amount on 31-3-1957
(1)	(2)	(3)	(4)
I.—*RUPEE LOANS OUTSTANDING ON 31ST MARCH, 1957*			
Terminable Loans—			
4½ per cent Loan, 1958-68	1st June, 1928	1st June, 1958	5,86
4 per cent Loan, 1960-70 .	15th September, 1926	15th September, 1960	63.30
3 per cent Loan, 1963-65	1st June, 1938	1st June, 1963	1,16,17
3 per cent Funding Loan, 1966-68 . . .	22nd October, 1943	1st October, 1966	1,10,12
3 per cent Victory Loan, 1957	1st April, 1944	1st September, 1957	34,77
3 per cent Second Victory Loan 1959-61.	19th March, 1945	15th August, 1959	1,13,66
3 per cent First Development Loan, 1970-75.	16th April, 1945	15th October, 1970	1,15,06
2¾ per cent Loan, 1960 . .	15th January, 1946	15th July, 1960	45,63
2¾ per cent Loan, 1961 . .	1st August, 1946	1st August, 1961	57,01

Particulars	Date of Issue	Earliest date of maturity	Estimated amount on 31-3-1957
Terminable Loans—(concld.)—			
2¾ per cent Loan, 1976	16th September, 1946	16th September, 1976	14,77
2¾ per cent Loan, 1962	15th November, 1947	15th November, 1962	75,87
3 per cent Loan, 1964	19th June, 1950	15th June, 1964	30,33
3 per cent Loan, 1958	16th August, 1951	16th August, 1958	50,36
3½ per cent National Plan Bonds, 1961 (First Issue)	8th June, 1953	1st June, 1961	75,29
3½ per cent National Plan Loan 1964.	19th April, 1954	19th April, 1964	1,58,18
3½ per cent National Plan Bonds—Second Series (3½ per cent 1965).	1st July, 1955	1st July, 1965	1,03,68
3¼ per cent Bonds, 1962	16th July, 1956	16th July, 1962	57,27
3½ per cent National Plan Bonds—Third Series (3½ per cent. 1967)	16th July, 1956	16th July, 1967	33,82
3¾ per cent Loan, 1974	16th July, 1956	16th July, 1974	66,64
Bhopal Loans—			
3 per cent Loan, 1966—76	12th November, 1946	Repayable at par on 15-11-76 but the Government have the option of repaying at any time after 15th November, 1966, with 6 months' notice.	1,22
2½ per cent War Bonds, 1957	1st November, 1944	Repayable at par on 1-11-57 or at any time with 3 months' notice.	26
Hyderabad Loans—			
3 per cent Loan, 1951-61	1st August, 1941	1st August, 1961 or any day after 1st August, 1951 on giving three calendar months' notice.	6,59
2½ per cent Loan, 1953-63	16th October, 1943	16th October, 1963 or any day after 16th October, 1953 on giving three calendar months' notice.	5,38
2½ per cent Development Loan, 1954-59	16th October, 1944	16th October, 1959 or any day after 16th October, 1954 on giving three calendar months' notice.	7,55
2¼ per cent Second Development Loan, 1955-60	1st November, 1946	1st November, 1960 or any day after 1st November, 1955 on giving three calendar months' notice.	4,24
4 per cent Hyderabad State Development Loan, 1963	15th October, 1953	15th October, 1963	3,35
1¼ per cent Loan, 1964	30th October, 1956	30th October, 1964	3,86
4 per cent Hyderabad State Development Loan, 1967	1st September, 1955	1st September, 1967	212

Particulars	Date of Issue	Earliest date of maturity	Estimated amount on 31-3-1957
4 per cent Hyderabad State Development Loan, 1968.	3rd September, 1956	3rd September, 1968	2,18
2¾ per cent Loan, 1974 . .	1st April, 1954	1st April, 1974.	4,40
2¾ per cent Loan, 1975 . .	1st January, 1950	1st January, 1975	6,86
			13,75,80
Non-Terminable Loans—			
3 per cent, 1896-97 . .	22nd July, 1896	At the option of the Government of India after three months' notice.	8,93
3 per cent Conversion Loan, 1946.	16th September, 1946	At any time on or after 16th September, 1986 subject to three months' notice.	2,48,91
		TOTAL .	2,57,84
		TOTAL—RUPEE LOANS .	16,33,64

II.—STERLING LOANS OUTSTANDING ON 31ST MARCH, 1957

India 4½ per cent Stock, 1958-68	1st June, 1928	1st June, 1958	40
India 2½ per cent Stock, 1926 or after.	1892-1900	At any time subject to one year's notice	13
Railway Debenture Stocks . .	1892-1900	Perpetual	3
Capital Portion of Railway Annuities	..	..	1,07
		TOTAL—STERLING LOANS	1,63

Grant-in-aid to States :

	Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
	Rs.	Rs.	Rs.
Grants under the Constitution :	37,95,00	29,53,48	24,56,76
(a) Under Article 273	3,15,00	3,15,00	3,15,00
(a) Under Article 275 (1)	8,05,00	8,05,00	13,20,00
Under Proviso to Article 275(1) . .	6,06,00	5,76,62	6,44,89
(b) Under Article 278	9,00,00	..	..
(b) Other Grants-in-aid under Section 74 of the S.R. Act, 1956	..	4,34,91	1,76,87
Other Grants :			
(c) Part 'C' States	7,94,00	3,97,05	..
(d) Jammu and Kashmir	3,75,00	4,25,00	..
	37,95,00	29,53,48	24,56,76

(a) The provision made next year for grants payable under Article 273 and the substantive provision of Article 275(1) of the Constitution are based on the interim recommendations made by the Second Finance Commission which have been accepted by the Goverenment of India.

(b) Under Federal Financial Agreements the former States of Travancore-Cochin, Saurashtra and Mysore were entitled to revenue gap grants-in-aid or their share of net proceeds of Taxes an Income and Union Duties of Excise whichever were greater. As the revenue gap grants were more than the share due to them from the net proceeds of Taxes on

Income and Union Duties of Excise, a provision therefor to the extent of Rs. 9 crores had been included in the current year's budget. But under Section 74 of the S.R. Act, 1956 read with the Fourth Schedule to the Act, these States or the successor States are to be paid for the year 1956-57 certain sums specified which when added to their shares of Income-tax and Union Duties of Excise will amount to the revenue gap grants previously admissible to them. During the current year, therefore, these and their successor States have now become entitled to get their shares of Income-tax and Union Excise Duties separately and in addition such reduced amount of the grants-in-aid as would make up the total of the revenue gap grants. Thus, for the first seven months of the said financial year, the erstwhile States of Mysore, Saurashtra and Tranvancore-Cochin were paid grants-in-aid of Rs. 87·65 lakhs, Rs 113·72 lakhs and Rs. 49·73 respectively aggregating to Rs. 251·10 lakhs, during October, 1956 and for the remaining five months of the current financial year, the new States of Mysore, Bombay, Kerala and Madras were paid the grants-in-aid of Rs. 68·28 lakhs, Rs. 80·85 lakhs, Rs. 31·19 lakhs and Rs. 3·39 lakhs respectively aggregating to Rs. 183·71 lakhs during February, 1957. A provision of Rs. 434·81 lakhs has, accordingly, been made in the revised estimates and shown against a separate sub-head. Next budget provides for a total grant of Rs. 2,36·77 lakhs on account of payment of reduced revenue gap grants-in-aid of Rs. 64·64 lakhs, Rs. 1,22·26 lakhs, Rs. 45·07 lakhs and Rs. 4·80 lakhs payable to the States of Mysore, Bombay, Kerala and Madras respectively, under Section 74 (2) of States Reorganisation Act, 1956. Consequent, however, upon larger share of income tax and union duties of excise becoming due to these States as a result of the taxation proposals the grants payable to them will be reduced to Rs. 40·52 lakhs, Rs. 109·51 lakhs, Rs. 24·25 lakhs and Rs. 2·59 lakhs respectively.

(c) The revised estimates under Grants to Part 'C' States represent the actual expenditure incurred on this account upto 31st October, 1956. Part 'C' States have been abolished with effect from 1st November, 1956 under Section 130(1) of S.R. Act, 1956.

(d) The increase in the revised estimates is due to the payment of an *ad hoc* grant-in-aid of Rs. 50 lakhs to the State for the introduction of the Dearness Allowance Scheme. In the next year, the grants to Jammu and Kashmir Government other than those for food subsidy will be paid under the substantive provision of Article 275(1) as recommended by the Finance Commission, the grants for food subsidy being met from Demand No. 69—'Miscellaneous Departments and Expenditure under the Ministry of Home Affairs' under the Major Head '57—Miscellaneous'.

Details of the amounts payable to the various States are given below:—

Grants-in-aid under Article 273:—

(In thousands of Rupees)

	Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
	Rs.	Rs.	Rs.
West Bengal	1,50,00	1,51,12	1,52,69
Bihar	75,00	73,88	72,31
Assam	75,00	75,00	75,00
Orissa	15,00	15,00	15,00
	3,15,00	3,15,00	3,15,00

Grants-in-aid under the Substantive Provision of Article 275(1):—

(In thousands of Rupees)

	Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
	Rs.	Rs.	Rs.
West Bengal	80,00	81.25	83,00
Punjab	1,53,00	1.62.00	1,63,00
PEPSU	9,00		
Bihar	83,00	81,75	80,00
Madhya Pradesh	50,00	60.65	2,51,00
Madhya Bharat	18.00		
Assam	1,00,00	1,00,00	1,00,00
Orissa	1,07,00	1,07.00	1,07,00
Mysore	40,00	42.41	46,00
Rajasthan	40.00	39.89	1,15,00
Madras	..	1.82	5,00
Bombay	..	52.10	1,30,00
Saurashtra	40,00		
Andhra Pradesh	..	32.95	24,00
Hyderabad	40,00		
Kerala (formerly Travancore-Cochin)	45,00	43,18	41,00
Jammu and Kashmir	..	..	1,75,00
TOTAL	8,05,00	8.05,00	13,20,00

Grants under the provisos to Article 275 (1) :—

	Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
	Rs.	Rs.	Rs.
Bombay	19.00	39.57	5,00
Saurashtra	1,00		
Andhra Pradesh	13.00	34.70	19,00
Hyderabad	2.00	..	..
Madras	6.00	7,24	3,00
West Bengal	9.00	21,16	13,00
Madhya Pradesh	26 00	74.82	48,00
Madhya Bharat	8,00		
Punjab	5,00	11.05	8,50
Bihar	..	44,08	24,50
Orissa	24.00	65.94	28,00
Assam	1,24.00	2.54.58	1,47.00
Kerala (formerly Travancore-Cochin)	2.00	8,20	3,50
Mysore	2.00	3.41	2,00
Rajasthan	8.00	11.87	6.00
Lump Provision	3.35.00	..	3.37,39
	6,06.00	5.76.62	6,44,89

A sum of Rs. 40 lakhs has been included in the current and next year's estimates on account of the grant payable to the Government of Assam, under sub-clause (a) of the second proviso to Article 275(1) of the Constitution.

Grants-in-aid under Article 278 for revenue gap:—

	Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
	Rs.	Rs.	Rs.
Mysore	3,45,00	..	..
Travancore-cochin	2,80,00	..	..
Saurashtra	2,75,00	..	..
	9,00,00	..	..

Other Grants-in-aid under Section 74 of S.R. Act, 1956:—

Mysore	..	1,55,93	40,25
Bombay	..	1,94,57	1,09,51
Kerala	..	80,92	24,25
Madras	..	3,39	2,59
	..	4,34,81	1,76,87

Other Grants:

Grants-in-aid to Part C States having separate Consolidated Fund:—

(a) to meet revenue deficit:

Delhi	78,00	39,00	..
Ajmer	1,48,00	74,00	..
Vindhya Pradesh	1,74,00	87,00	..
Himachal Pradesh	1,88,00	94,00	..
Bhopal	1,73,00	86,50	..
	7,61,00	3,80,50	..

(b) for welfare of Scheduled Tribes and development of scheduled areas:

	Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
	Rs.	Rs.	Rs.
Ajmer	2,00	1,76	..
Bhopal	1,00	2,53	..
Vindhya Pradesh	6,00	7,53	..
Himachal Pradesh	3,00	3,87	..
Coorg	1,00	86	..
Lump Provision	20,00	..	..
	33,00	16,55	..
Total—Grants to Part C States	7,94,00	3,97,05	..
Grants to Jammu and Kashmir	3,75,00	4,25,00	..

Ministry of Food and Agriculture:

Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Rs.	Rs.	Rs.
75,44	61,01	79,60

Fall in the Revised is explained mainly by certain posts remaining vacant during the year. Budget provides for increased activities of the Ministry in connection with the Development schemes particularly those relating to Co-operation and Fisheries.

Forest:

Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	udget, 957-58 Rs.
2,97,71	1,83,48	2,07,02

Decrease in the Revised Estimates is mainly on account of the slow progress of the Central Forestry Schemes, less expenditure on the re-organisnation and development of the Desert Afforestation Research Stations, and less grants to States for Forestry, Nature Conservancy and Matchwood Plantation schemes. Next budget provides for a new Desert Afforestation Centre in Rajasthan, for a bed soil and shifting cultivation centre, for more soil conservation research and demonstration centres and for increased grants to States for soil conservation schemes.

Agriculture:

Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
16,38,61	13,15,18	16,40,27

Details of important items included in this Demand are as given below:—

	Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Indian Agricultural Research Institute . . .	70,15	53,03	90,37
Sugarcane Station, Coimbatore	2,12	2,18	4,19
Directorate of Plant Protection Quarantine and Storage	5,20,73	35,72	41,52
Directorate of Economics and Statistics . .	9,19	8,92	10,34
Central Mechanised Farms . . .	29,23	28,89	12,15
Agricultural Experiments and Research . . .	26,99	23 97	57,33
Boring operations	2,20,27	2,28,60	1,62,25
Grants to—			
(i) Indian Council of Agricultural Research .	34,30	19.89	24,02
(ii) Indian Central Tobacco Committee .	15,30	14.85	18,20
(iii) Indian Central Sugarcane Committee .	6.00	6.00	6,00
(iv) Indian Central Jute Committee . .	19,00	19.00	18,00
(v) Indian Central Arecanut Committee .	8,00	4.00	8,00
(vi) Indian Society of Agricultural Economics.	50	50	50
(vii) Indian Central Cocoanut Committee .	8,00	6,00	6,70
(viii) Indian Central Cotton Committee. Bombay and Regional Research Stations for Cotton Research	12,00	12,00	12,00
(ix) Indian Oil Seeds Committee	..	..	10,00
Grants to State Govts. for :—			
(i) Grow More Food Schemes . . .	4,00,00	2,50,00	2,65,00
(ii) Seed Multiplication Farms . . .	25,00	75.97	1,95,63
(iii) Gosadan Schemes	5,60	5,60	4,00
(iv) Key Village Schemes	44,80	45,44	47,00
(v) Improvement of Land Records and Agricultural Statistics	8,00	8,00	9,00
(vi) Dairy Development	50,00	35,75	80,00
(vii) Water Resources Survey and Minor Irrigation	12,00	5,34	6,30
(viii) Jute Development . .	19,34	19,20	20,66
(ix) Poultry Development	32,00	22.01	30,60
(x) Gaushala Development Scheme. . .	8,00	6,12	5,00
(xi) Development of sheep wool . . .	10,00	1,55	10,00
(xii) Agricultural Research Institutes . .	25,00	5,00	12,00
(xiii) Lac Development	2,00	80	2,00
(xiv Arecanut Development	3,00	55	2,50

(*xv*) Cocoanut Development	3,00	3,00	5,00
(*xvi*) Oil Seeds Development	4,00	50	1,20
(*xvii*) Piggery Development	..	..	1,86
(*xviii*) Horticultural Schemes	..	2,92	10,60
(*xix*) Agricultural Information Units	..	..	2,00
(*xx*) Development of Pepper and Cashewnuts	..	..	4,84
Fisheries	69,90	58,42	1,24,01
Fumigation of American Cotton	5,57	6,85	11,56
Indian Institute of Sugarcane Research, Bhadruk	7,92	5,57	7,00
Indian Council of Agricultural Research—Administrative Expenditure	18,02	14,62	17,88
Payment to ICAR of net proceeds of the cess on agricultural produce	36,00	48,00	45,00
Agricultural Marketing	27,34	21,24	36,12
Payment of cess to various Commodity committees	37,00	37,00	40,00

The budget is inclusive of lump cuts of Rs. 18 lakhs under grants to States and Rs. 40·18 lakhs under other items which will be distributed over the various sub-heads during the course of the year.

Civil Veterinary Services:

Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
1,32,17	1,29,82	1,44,35

Decrease in the Revised is due to some vacant posts in the Indian Veterinary Research Institute. Increase in the next budget is mainly due to provision made for new veterinary research schemes, extension of the Rinderpest Scheme to the entire country, grants to States for new veterinary colleges to be opened next year; land quarantine stations and for material and equipment to be obtained under the T.C.M. Programme for the Biological Centre.

Miscellaneous Departments and other expenditure under the Ministry of Food and Agriculture:

Budget, 1956-57 Rs.	Revised, 1966-57 Rs.	Budget, 1957-58 Rs.
5,78,61	5,92,20	6,47,59

The important items included in the next budget are as follows:—

	Rs.
Zoological Partk, Delhi	3.25
Grants for training of village level workers	80.25
Grants for Resettlement of Landless workers	5.00
Grants for Co-operative Training Experiments	40 00
Grants to National Cooperative Development and Warehousing Board	1,00,00
Contribution to the F.A.O.	13,20
Contribution to the Commonwealth Agricultural Bureau	1,49
Trading losses on purchase of foodgrains transferred from the Capital outside Revenue Account	3,00.00
Instalment of capital loss on American Loan Wheat charged to revenue	49,02

Ministry of Health:

Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
10,55	11,59	13,13

The increase both in the revised estimates and the next budget is due to the creation of additional posts to cope with the increased activities of the Ministry.

Medical Services:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
4,03,18	3,15,19	3,88,17

The saving in the revised estimates is mainly on account of less payment of certain grants to States for medical purposes, due to the delay in the implementation of the schemes. The more important items of such grants are as follows.—

(a) Grants for establishments of TB clinics.

(b) Contribution to the State Governments for establishment of new dental colleges.

(c) Subsidy for the establishment of TB demonstration Centres in States.

(d) Subsidy to States for the establishment of full time teaching units in medical colleges.

Provision has been made in the next budget for additional staff in the medical colleges and hospitals run by the Central Government, the taking over of the Tata Memorial Hospital from 1st April 1957, increased expenditure by way of grants on the All-India Institute of Medical Science which has been constituted into an autonomous body during this year, financial assistance to State Governments for establishing Cancer wards and units in the existing hospitals and enhanced grants for medical purposes to State Governments for the schemes at (a), (b) and (c) above, for the establishment of Paediatric Centres, and for the establishment and expansion of medical colleges, etc.

Public Health:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
9,30,17	7,73,19	9,17,65

The fall in the revised estimates is mainly explained by less payment of grants for public health purposes due to the delay in implementation of certain schemes and also for the reason that certain materials and equipment under the T.C.M. Programme for the National Malaria and the National Filaria Control Schemes could not be received during the current year. The more important items of grants in which there has been a short fall are as under:

(a) Grants-in-aid for development of Public Health Laboratory Service in India.

(b) Scheme for the control of leprosy.

(c) Scheme for the control of venereal diseases.

(d) Scheme for School Health Services.

(e) Subsidy to State Governments for the B.C.G. Vaccination Campaign.

(f) Grants to the Indian Council of Medical Research.

(g) Scheme for model suburban and Rural Health Development Centres.

Increase in the next budget reflects mainly the provision made for equipments not received during this year for the National Filaria Control Scheme and the enhanced provision for grants for the development of Public Health Laboratory Service in India, the scheme for the control

of leprosy, subsidy to States for the B.C.G. vaccination campaign, the scheme for the control of venereal diseases, grants to the Indian Council of Medical Research, subsidies for the establishment of T.B. Isolation beds, grants for the Rajkumari Sports Coaching Schemes, etc., and for more expenditure on training in Public Health Engineering. A lump cut of Rs. 16 lakhs has, however, been imposed under grants to States next year in the light of past actuals.

Miscellaneous Expenditure under the Ministry of Health:

Budget, 1956-57 Rs.	Revised, 1956-57 Rs.	Budget, 1957-58 Rs.
95,35	92,28	1,03,81

Increase in the next budget is mainly on account of certain arrear payments due to the World Health Organisation and the transfer next year of a part of the contribution received from the New Zealand Government during this year, to the Special Development Fund, the provision for which had been made in this year's budget.

Ministry of Home Affairs:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
2,23,41	2,08,47	2,63,68

Increase in the next budget reflects mainly the increase in the strength of the Secretariat and the Intelligence Bureau.

Cabinet:

Budget 1976-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
33,04	37,08	36,56

More expenditure during the current year is due mainly to the increase in the strength of Ministers, more touring than originally anticipated both within the country and abroad, and more expenditure on the Government Hospitality Organisation due to the increase in the visits of the foreign dignitaries.

Zonal Councils:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
..	2,55	4,51

Zonal Councils have been set up from 1st November 1956 under Section 15 of the States Reorganisation Act, 1956. A Supplementary Grant for Rs. 2·55 lakhs was taken in December last to finance expenditure till the end of this year. Provision for the full year has been made in the next budget.

Police:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
2,11,51	2,55,84	4,87,43

The payment of an *ad hoc* grant of Rs. 35 lakhs to the Punjab Government to augment the strength and equipment of their armed Police and the grant of Rs. 19·56 lakhs more to the Rajasthan Government for the

maintenance of border security force account mainly for the increase in the revised estimates. Increase in the budget is due mainly to the higher provision made for payments to State Governments and the provision made for the Central Forensic Laboratory, the Central Finger Print Bureau and the Government Examiner of Questioned Documents. Budget also includes a provision of Rs. 40 lakhs towards assistance to the Assam Government towards the expenditure on additional Police Force borrowed from other States for maintenance of law and order.

Census:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
19,54	19,55	8,49

Less provision has been made next year for the reason that the scheme for the Improvement of Population Data which had been provided for in this year's budget is not likely to commence till the end of 1957. The saving on this account in the current budgets has been offset by increased expenditure on certain miscellaneous items.

Privy Purses and Allowances of Indian Rulers.

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
5,45,46	5,45,07	5,54,48

Increase next year is due to provision made for the payment of certain arrears of Privy Purses to the Rulers of Kurundwad and Dholpur.

Delhi:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
1,67,96	4,98,45	7,01,63

A broad analysis of the provision included in this Demand is given below:

	Budget 1956-57	Revised 1956-57	Budget 1957-58
Direct Demands on Revenue	19	44,62	78,47
Irrigation Works	.	45	78
Civil Administration	1,67,77	4,04,50	5,95,13
Miscellaneous	.	40,72	18,58
Extraordinary items	.	8,16	8,67

The increase in the revised follows from the transfer of the proportionate provision in the State budget to the Central budget with the constitution of Delhi into an Union territory from 1st November, 1956 and was provided for through a Supplementary Grant taken in December, 56. Further increase next year is due to provision made for such expenditure for the full year.

Himachal Pradesh:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
..	2,43,99	4,69,12

A broad analysis of the provision included in this Demand is given below:—

	Budget 1956-57	Revised 1956-57	Budget 1957-58
Direct Demands on Revenue	..	27,47	53,11
Irrigation works	..	4,10	4,64
Civil Administration	..	1,34,91	2,81,63
Civil works and Miscellaneous Public improvements	..	23,48	48,42
Miscellaneous	..	20,91	33,27
Community Development Projects, National Extension Service and Local Development Works	..	33,12	48[illegible]

The former Part C State of Himachal Pradesh became an Union Territory with effect from 1st November 1956 under the States Reorganisation Act and expenditure to the extent of Rs. 2·42 lakhs estimated till the end of the current year was provided for through a Supplementary Grant taken in December, 56. Increase in the next budget is due to provision made in respect of the above items for the whole year.

Andaman and Nicobar Islands:

	Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
	2,41,56	2,19,23	2,74,27

A broad analysis of the provision made in the Demand is given below:—

Direct Demands on Revenue	99,13	1,00,40	1,23,75
Civil Administration	1,32,25	1,08,65	1,43,30
Miscellaneous	10,18	10,18	6,97
Extraordinary items	..	..	25

The saving this year is mainly under Civil Administration, in the Ports and Pilotage Department, as certain sea-going vessels and coastal crafts could not be purchased this year, as anticipated in the current budget. Increase in the next budget is mainly on account of provision made for the purchase of these vessels, for the running expenses of the second ship expected to be put into commission early next year and for increased expenditure on the removal of forest products.

Manipur:

	Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
	1,27,92	1,14,60	1,47,53

A broad analysis of the provision made in the Demand is given below:—

Direct Demands on Revenue	7,88	7,02	6,10
Irrigation works	3,00	2,90	3,25
Civil Administration	92,07	79,28	98,98
Civil works and Miscellaneous Public improvements	11,03	9,86	11,66
Miscellaneous	10,20	10 20	21,70
Community Development Projects, National Extension Service and Local Development Works.	3,74	5,34	5,84

Decrease in the revised is mainly explained by less expenditure on the Malaria Control Scheme and certain development schemes of Public Health. There is an overall increase in the next budget, particularly in the provision made for schemes relating to Education, Medical, Agriculture and Welfare of Scheduled Castes and Scheduled Tribes.

Tripura:

	Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
	2,19,74	2,20,25	2,39,09

A broad analysis of the provision made in the Demand is given below:—

Direct Demands on Revenue	25,22	21,72	29,31
Irrigation Works met from Revenue	14	2,07	1,16
Civil Administration	1,61,74	1,47,29	1,65,02
Civil Works and Miscellaneous Public Improvements	3,17	3,40	3,74
Miscellaneous	17,91	27,64	30,08
Community Development Projects and Local Development works	11,56	18,13	9,78

Certain unforeseen expenditure on maintenance and repairs on Irrigation works, increase in the lump provision made for development schemes and provision made for multipurpose blocks under the Community Development Project account mainly for the increase in the revised estimates. Increase in the next budget is mainly due to increase in the land revenue charges and more provision for Civil Administration, particularly in respect of Government Secondary and Primary Schools and grants to non-government secondary schools.

Lacadive, Minicoy and Amindivi Islands:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
..	92,00	14,65

The Lacadive, Minicoy and Amindivi Islands have been constituted into an Union territory from 1st November, 1956 under the States Reorganisation Act. The expenditure upto the end of the current year was provided for through a Supplementary Grant taken in December last. Increase next year is due to provision made for the full year.

Miscellaneous Departments and Expenditure under the Ministry of Home Affairs:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
5,23,74	4,56,05	10,52,38

Less payment of grants-in-aid to State Governments for statistical purposes and of contributions for Social and Moral Hygiene and After-care Services account mainly for the fall in the revised estimates. Budget includes a provision of Rs. 125 lakhs as grants for food subsidy to the Jammu and Kashmir Government which was appearing previously in the Demand "Grants-in-aid to States". Increased provision for Grants for the welfare of Backward Classes, to the extent of about Rs. 135 lakhs, provision made for the multi-purpose National Sample Survey which was appearing previously in the Demand "Miscellaneous Departments and Expenditure under the Ministry of Finance", and a provision of Rs. one crore and fifteen lakhs for assistance to Assam towards expenditure on the construction of certain strategic roads, bridges and for relief measures etc. account primarily for the increase in the budget.

Ministry of Information and Broadcasting:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
11,33	12,08	13,21

Increase both in the revised estimates and the next budget follows from the expansion of the Ministry due to the intensified publicity and information services.

Broadcasting.:

Budget 1956-57	Revised 1956-57	Budget 1957-58
Rs.	Rs.	Rs.
3,16,25	3,16,07	3,79,89

More provision made for the Broadcasting stations particuarly in connection with the introduction of new broadcasting services, such as the Tibetan Service, Nepalese Service, Folk music etc., and for the High Powered S.W. Transmitter explains mainly the increase in the next budget.

Miscellaneous Departments. and Expenditure under the Ministry of Information and Broadcasting:

Budget 1956-57	Revised 1956-57	Budget 1957-58
Rs.	Rs.	Rs.
2,56,40	2,45,67	3,47,04

Decrease in the revised estimates is due mainly to less expenditure on the Publications Division and on the purchase of stores in England. Next budget provides Rs. 14 lakhs for the setting up of the National Film Board and makes a substantially higher provision for advertising and visual publicity. Increased provision has also been made next year for the Publications Division, Mobile Units, the Press Information Bureau and the Films Division.

Ministry of Irrigation and Power:

Budget 1956-57	Revised 1956-57	Budget 1957-58
Rs.	Rs.	Rs.
15,16	18,61	17,37

The increase in the revised estimates is mainly due to the prolonged stay of the Indian Delegation sent to Washington for Indus Basis Working Party talks under the auspices of the International Bank beyond June, 1956. As the Delegation is expected to be in Washington upto 30th June 1957 only, there is a fall in the provision made in the next budget.

Multi-purpose River Valley Schemes:

Budget 1956-57	Revised 1956-57	Budget 1957-58
Rs.	Rs.	Rs.
1,07,44	1,06,88	1,60,33

The decrease in the revised estimates is mainly on account of less expenditure on the Flood Control Investigation Projects. Increase in the next budget is mainly on account of provision made for more expenditure on Flood Control, for additional equipment to be received under the T.C.M. Programme for the Technical Training Centres and for more expenditure on the preliminary expenses on new river valley projects *viz.*, the Iddiki, Kopilli, Gautami and Khowai river valley projects sanctioned during the current year.

Miscellaneous Departments and other Expenditure under the Ministry of Irrigation and Power:

Budget 1956-57	Revised 1956-57	Budget 1957-58
Rs.	Rs.	Rs.
86,83	73,03	98,08

Fall in the revised is mainly due to delay in the setting up of the Centres for the training of Hot Line Crew and the Training Centres for Public Co-operation. Increase in the next budget is mainly due to the provision made for grants-in-aid to the Central Board of Irrigation and Power for carrying out fundamental research in connection with Flood Control measures and River Valley Projects. Provision has also been included in the next budget for the Chambal Control Board, which will be brought under the administrative control of the Ministry from the next year. The amount is, however, recoverable from the Governments of Rajasthan and Madhya Pradesh and is finally chargeable to the Chambal Project.

Ministry of Labour and Employment:

Budget 1956-57	Revised 1956-57	Budget 1957-58
Rs.	Rs.	Rs.
15,81	14,93	16,94

The erstwhile Ministry of Labour has been redesignated as the Ministry of Labour and Employment with effect from 17th April, 1957.

The increase in the budget is mainly due to provision made for meeting expenditure on the visits of foreign labour leaders and on study tours to foreign countries.

Miscellaneous Departments and other Expenditure under the Ministry of Labour and Employment:

Budget 1956-57	Revised 1956-57	Budget 1957-58
Rs.	Rs.	Rs.
3,84,86	3,36,48	8,66,57

The decrease in the revised is mainly on account of less expenditure on Coal Mines Labour Welfare measures as certain Works, including miners' houses, could not be constructed during this year. Increase in the next budget is due mainly to provision made for grants to States for the schemes of Resettlement and Employment following the taking over of the Employment Exchanges by the State Governments with effect from 1st November, 1956. The expenditure on these was appearing previously in the Demand "Employment Exchanges and Resettlement". Larger provision made for Coal Mines Labour Welfare measures, for increased expenditure on International Labour Conferences and Committees, for more contributions to the International Labour Organisation, and the provision made for the Asian Regional Labour Conference to be held next year also contribute to the increase.

Ministry of Law:

Budget 1956-57	Revised 1956-57	Budget 1957-58
Rs.	Rs.	Rs.
2,78,25	2,70,87	1,72,38

Less expenditure on account of payment to State Governments of the Central Government's share of the extra expenditure incurred by them on elections accounts mainly for the decrease in the revised. Further decrease next year is on account of a substantial reduction in the Election charges, as the General Elections will be over except in certain hill tracts by the end of this year.

Ministry of Rehabilitation:

Budget 1956-57	Revised 1956-57	Budget 1957-58
Rs.	Rs.	Rs.
32,76	38,93	43,75

Expansion of the Ministry and particularly of the Branch Secretariat at Calcutta to deal with the problem of relief and rehabilitation of refugees from East Pakistan explains the increase both in the Revised and the next Budget.

Expenditure on Displaced Persons:

Budget 1956-57	Revised 1956-57	Budget 1957-58
Rs.	Rs.	Rs.
21,42,03	21,86,30	22,50,26

The increase this year is on account of more expenditure on relief and rehabilitation following the continued influx of displaced persons from East Pakistan and slower progress of dispersal of the displaced persons from Camps, Homes, etc., to places of rehabilitation, due to the paucity of land. Increase in the next budget is mainly explained by more expenditure on the rehabilitation of the displaced persons from East Pakistan and also by more provision made for the annual instalment of Compensation payments transferred from Capital.

Ministry of Steel, Mines and Fuel:

Budget 1956-57	Revised 1956-57	Budget 1957-58
Rs.	Rs.	Rs.
..	..	31,15

This Ministry came into being on 17th April 1957, and in addition to the work handled previously by the late Ministry of Iron and Steel, it has taken over the work relating to Mines and Mining and the exploration, drilling etc. of oil and natural gas from the Ministry of Natural Resources and Scientific Research; the work in respect of the production, distribution and pricing of coal from the late Ministry of Production; the Iron and Steel Control Organisation and matters relating to the control of prices of iron and steel from the late Ministry of Heavy Industries; and the Petroleum Division from the Ministry of Works, Housing and Supply. This demand provides for the staff transferred from the former Ministries of Iron and Steel, Natural Resources and Scientific Research and Production, in connection with the work taken over from them. It also provides for the expenditure of the Ministry of Natural Resources and Scientific Research for the period it was in existence, during the year, 1957-58.

Mines:

Budget 1956-57	Revised 1956-57	Budget 1957-58
Rs.	Rs.	Rs.
53,51	54,35	48,63

The completion of work relating to the Bhilai Project during the year, and the absence of provision next year for material and equipment for the Indian School of Mines and Applied Geology, under the Colombo Plan explain mainly the decrease in the next budget.

Exploration of Oil & Natural Gas:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
58,83	38,83	2,57,67

The variation between the budget and the revised is mainly on account of the non-availability of certain stores equipments. Provision made for the purchase of additional equipments next year, and for increased expenditure on training and on the local cost of foreign experts accounts mainly for the increase in the next budget.

Miscellaneous Departments and other expenditure under the Ministry of Steel, Mines and Fuel:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
..	..	55,96,93

This Demand accommodates provision in respect of the Iron and Steel Control Organisation and connected expenditure appearing previously in the Demand "Industries"; the expenditure on the office of the Coal Controller, local cost of experts etc. which was being shown in the Demand "Other Organisations of the Ministry of Production"; the items appearing previously in the Demand "Miscellaneous Departments and Expenditure under the Ministry of Production"; and the Petroleum Division taken over from the Ministry of W. H. & S. which was appearing in the Demand "Miscellaneous Departments and Expenditure under the Ministry of W. H. & S."

The budget next year includes Rs. 27·92 crores consisting of Rs. 9·39 crores as the estimated cash balance in the Steel Equalisation Fund on the 31st March, 1957 and Rs. 18·53 crores as the estimated revenue from surcharge on iron and steel during that year for transfer to the Fund for which an equivalent credit has been assumed on the Revenue side. The transactions relating to the Steel Equalisation Fund were kept outside the Government Accounts and are for the first time being routed through the Consolidated Fund of India with effect from the 1st April, 1957. The Budget accordingly also provides for an expenditure of Rs. 25·09 crores for the payment of subsidies etc. on the administration of Iron and Steel Control Order, but this would be covered by a corresponding recovery from the Steel Equalisation Fund.

Ministry of Transport and Communications:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
..	..	72,09

This Ministry which was set up on 17th April 1957 combines the functions of the late Ministry of Transport and the late Ministry of Communications and has also taken over the work relating to the Hindusthan Shipyard, from the late Ministry of Production.

Indian Posts and Telegraphs Department:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
55,10,05	55,03,76	62,43,93

An analysis of the expenditure incurred in this Department is shown in Statement X. Next Budget provides for increased payment to Railways for 1956-57 and 1957-58, as a result of the revision of haulage charges etc. for conveyance of mails with effect from 1st April 1956, and the expansion of the P. & T. Services.

Ports and Pilotage:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
68,33	59,57	63,17

The decrease in the revised estimates is mainly on account of less expenditure on the Training Scheme for Ratings due to the admission of less number of cadets than anticipated and the low cost of training, and the non-utilization of the provision made for contribution for the construction of the Indian Seamen's Hostel at Madras. Next budget assumes more expenditure on the Training Scheme for Ratings on account of certain additional equipments to be purchased, and a contribution of Rs. 1 lakh for the construction of the Indian Seamen's Hostel at Madras.

Light Houses and Light Ships:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
1,07,70	98,08	1,38,56

Delay in the receipt of certain equipments for the construction and improvement of Light Houses and Light Ships accounts mainly for the decrease in the revised estimates. Next budget makes provision for the construction of some new Light Houses and the purchase of additional Plant and Equipments.

Meteorology:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
1,36,56	1,33,81	1,52,29

Expansion of the Department particularly in connection with the implementation of the International Geophysical Year Programme during the next year, and more provision made for meteorological studies for planning flood control measures account mainly for the increase in the next budget.

Overseas Communications Service:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
1,11,77	1,04,91	1,21,59

Decrease in the Revised estimates is due mainly to certain posts remaining vacant during this year. Provision has been made next year for additional staff, more expenditure on repairs and maintenance to Plant and Machinery and increased charges for interest and depreciation due to additional capital outlay.

Aviation:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
3,79,23	3,47,34	3,56,63

The fall in the revised and the increase in the next budget are explained mainly by the reason that certain materials and equipment under the T.C.M. programme relating to the scheme of Expansion of Aviation Ground Facilities could not be received during this year, and the provision for the same has been made next year. Next budget also provides for larger purchase of stores for the Central Radio Stores Department, and for greater facilities at certain aerodromes and communication stations.

Central Road Fund:

Budget 1956-57	Revised 1956-57	Budget 1957-58
Rs.	Rs.	Rs.
5,44,69	4,27,52	4,28,19

This Demand accommodates provision for transfer to the Central Road Fund of its share of Customs and Excise Duties on motor-spirit paid @ 2½ annas per gallon as also for Central expenditure financed from the Fund. A provision of Rs. 400 lakhs towards the Block grant for transfer to the Fund has been made both in the revised estimates and the next budget against this year's budget provision of Rs. 540 lakhs on account of anticipated less receipts from Customs and Excise Duties. Provision for road works in Delhi and Himachal Pradesh with their constitution as Union Territories from 1st November 1956 and accelerated progress of road works in Tripura and Manipur accounts mainly for the increase in the Central expenditure met from the Fund during this year and the next.

Communications (including National Highways):

Budget 1956-57	Revised 1956-57	Budget 1957-58
Rs.	Rs.	Rs.
5,56,00	5,40,86	5,72,68

Less expenditure on the maintenance of National Highways accounts mainly for the decrease in the revised estimates. More provision made for the transfer to Revenue of expenditure on grants for the development of State roads of economic or inter-State importance, initially debited to Capital, explains mainly the increase in the next budget. More provision has also been made next year for the repairs of Communications other than National Highways, and for the purchase of additional tools and plant.

Miscellaneous Departments and other Expenditure under the Ministry of Transport and Communications:

Budget 1956-57	Revised 1956-57	Budget 1957-58
Rs.	Rs.	Rs.
..	..	1,57,94

This Demand accommodates provision for items appearing previously in the Demands "Miscellaneous Departments and Expenditure under the Ministry of Transport" and "Miscellaneous Departments and Expenditure under the Ministry of Communications". Provision has also been made for the subsidy of Rs. 1 crore to the Hindusthan Shipyards which had appeared in 1956-57 in the Demand "Other Organisations of the Ministry of Production".

Ministry of Works, Housing and Supply:

Budget 1956-57	Revised 1956-57	Budget 1957-58
Rs.	Rs.	Rs.
57,20	50,48	56,01

Decrease in the revised is due mainly to the delay in the introduction of separation of Audit from Accounts in the Central Public Works Department, for which a lump provision of Rs. 7·75 lakhs was made in the original budget. Increase next year reflects the expansion in the Ministry and particularly the strengthening of the Chief Pay and Accounts Office.

Supplies:

Budget 1956-57	Revised 1956-57	Budget 1957-58
Rs.	Rs.	Rs.
2,34,50	2,48,38	2,61,10

Increased expenditure in the India Stores Department, London, accounts mainly for the increase in the revised estimates. There is an overall increase in the next budget, particularly in the provision made for the office of the Director General of Supply, following the expansion of the Directorate.

Other Civil Works:

Budget 1956-57	Revised 1956-57	Budget 1957-58
Rs.	Rs.	Rs.
19,85,48	20,33,75	21,00,04

Provision made for Works in Delhi and Himachal Pradesh which became Union Territories from 1st November, 1956 and the creation of additional Circles and Sub-Divisions to cope with the accelerated Works programme account mainly for the increase both in the revised estimates and the next budget. Next budget also includes provision for grants-in-aid of Rs. 50·94 lakhs, Rs. 5 lakhs and Rs. 40 lakhs respectively to the All-India Medical Institute of Sciences, the Higher Technological Institute, Bombay and the Indian Institute of Technology, Hijli, Kharagpur, which have become autonomous institutions during this year, for the construction of buildings.

Stationery and Printing:

Budget 1956-57	Revised 1956-57	Budget 1957-58
Rs.	Rs.	Rs.
6,14,23	6,19,21	6,89,77

Increase in the revised estimates is explained mainly by the provision made for the receipt of certain equipments under the T.C.M. Programme which was not anticipated in the original budget. An increase in the expenditure on the Government of India Presses and on the purchase of stationery stores in India accounts for the enhanced provision made next year.

Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply:

Budget 1956-57	Revised 1956-57	Budget 1957-58
Rs.	Rs.	Rs.
65,46	71,90	..

Provision made for water and electricity charges on the newly constructed buildings in New Delhi and an increase in the payment of wharfage and demurrage charges to Bombay Port Trust explain the increase in the revised estimates. The expansion of the National Buildings Organisation and more provision made for the write-back to revenue of Capital expenditure on Grants for Development account mainly for the increase in the budget. The provision for Petroleum Division which appeared in this Demand in 1956-57 has, however, been included in the Demand "Miscellaneous Departments and Other Expenditure" under the Ministry of Steel, Mines and Fuel.

Atomic Energy Research:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
2,00,00	2,00,00	3,10,00

Increase in the next budget is on account of more provision made for research expenditure and for certain additional material and equipment to be received under the T.C.M. Programme.

Lok Sabha:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
94,74	94,84	1,21,37

Increase in the next Budget is due to provision made for more expenditure on Parliamentary Delegations going abroad and coming to India from foreign countries, the holding of the Commonwealth Parliamentary Organisation Conference in Delhi during December, 1957, and for further expansion of the Lok Sabha Secretariat.

Rajya Sabha:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
35,31	34,77	37,59

More provision made for the salary of members and the creation of additional posts in the Rajya Sabha Secretariat and in the Pay and Accounts Office account mainly for the increase in the next Budget.

Union Public Service Commission:

Budget 1956-57 Rs.	Revised 1956-57 Rs.	Budget 1957-58 Rs.
32,36	37,90	36,74

Creation of certain additional temporary posts and appointment of new members in the Commission in connection with the special recruitment to the Indian Administrative Service explain the increase in the revised estimates. Less provision next year is due to the probable completion of special recruitment to the Indian Administrative Service by December, 1957.

STATEMENT IX

PROVISION FOR DEVELOPMENT EXPENDITURE

(In thousands of Rupees)

Demand	Particulars	Amount
	(A) REVENUE BUDGET	
Industries	Development of Small Scale Industries .	1,00,00
	Institute for Small Scale Industries . .	76,22
	National Small Industries Corporation .	18,00
	Development of Handloom Industries .	3,23,00
	Conversion of Handlooms into powerlooms	36,00
	State Trading Corporation . . .	1,00
	Indian Standards Institute . . .	12,80
	Development of Khadi Industry (Traditional)	1,85,00
	Development of Khadi Industry (Traditional)—Ambar Cha kha . . .	3,11,61
	Development of Silk Industry . . .	50,00
	Handicrafts Industries . . .	66,00
	Development of Village Industries . .	2,25,00
	National Industrial Development Corporation	21,00
Salt	Development of existing Salt Works .	2,36
Community Development Projects and National Extension Service.	Training of administrative staff for C.P./N.E.S.—D.O.T.C.s.	5,43
	Training of S.E.O.s and S.E.O.T. s .	9,79
	Seminars for Project Executive Staff .	40
	Study Tours and In-service Training for Project Executive Staff . . .	6,47
	Training of Village Leaders and Youth	3,00
	Orientation Training of Village School Teachers	11,43
	Apprenticeships in Village Development to University Students and Teachers . .	2,30
	Community Development Programme .	4,42,38
	National Extension Service	7,56,33
Ministry of Education and Scientific Research.	Establishment of Central Unit for Revision of Gazetteers	1,00
Archaeology	Lump provision for Archaeological Schemes	8,00
Survey of India . . .	Expansion of Survey of India . . .	17,30
Botanical Survey of India . .	Expansion and re-organisation of Botanical Survey of India . .	3,50
Zoological Survey of India .	Expansion and re-organisation of Zoological Survey of India . .	98
Geological Survey of India .	Expansion and re-organisation of Geological Survey of India . . .	13,24
Scientific Research . . .	Compilation of National Atlas of India	5,00
	Oceanographic Research Wing at the Naval Physical Laboratory, Cochin . .	1,00
	Geophysical Research Wing . . .	2,00
	Scheme for Vigyan Mandirs . . .	3,25
	Grants in aid to the Council of Scientific and Industrial Research . . .	2,50,00
	Grants to other Research Institutes .	32,23
	Material and Equipment under T.C.A. and Colombo Plan for the Council of Scientific and Industrial Research . . .	60,00
Other Scientific Departments .	Development of Indian Institute of Science, Bangalore	5,00

(In thousands of rupees)

Demand	Particulars	Amount
	Grants to State Governments for Development of Scientific and Technical Education	1,10,20
	Direct Grants by Central Governments for Development of Scientific and Technical Education .	90,00
	Award of Practical Training Stipends	8,00
	Award of Research Training Scholarships	13,00
	Development Schemes —Anthropological Survey .	3,60
Education	Grants-in-aid to University Grants Commission . . .	4,17,00
	Equipment for Indian Institute of Technology, Kharagpur	17,00
	Western Higher Technological Institute, Bombay	21,00
	Scholarships to students of Schedule Castes, Scheduled Tribes and other Backward Classes . .	1,50,00
	Grants to State Governments for promotion of Hindi . . .	5,00
	Other grants—Promotion of Hindi	7,61
	Grants to State Governments for Pre-primary, Elementary and Basic Educational. Basic Women's Education, Audio Visual Aid to Educationk, Library Development and relief of educated unemployed	5,20,00
	Grants to State Governments for Secondary Education, Rural Higher Education, Educational and Vocational Guidance, Fducation of the handicapped and Juvenile Delinquency .	4,25,00
	Grants to State Governments for revision of pay scales of school teachers	2,00,00
	Establishment of Planning and Statistical Unit	5,80
	Development of Women's Education at Collegiate level	11,00
	Expansion of Girl's Education and training of Women Teachers . . .	25,00
	Education Survey . . .	15,00
	Post Basic School .	8,00
	Voluntary Crganisations working in the field of Basic and Social Education	12,00
	Production of Literature for Children and Neo-literates .	6,00
	Introduction of Agricultural Courses . .	10,00
	Appointment of Hindi Teachers .	7,00
	Establishment of National College of Physical Education . .	10,00
	Schemes for National Discipline . .	7,00
	Scouting and Guiding . . .	6,00
	Student Health Centre . .	5,00
	Labour and Social Service Camps and Campus Works Projects . .	60,00
	Rural Higher Education .	30,00
	Voluntary Organisation working in the field of Secondary Education . . }	115,00
	Physical Education . . }	
	Sports and Games . }	52,00
	Youth Welfare Programme and Expeditions	
	All India Council of Secondary Education	36,00
	Three National Academies . . .	9,00
	Bal Bhavan	8,00

(In thousands of Rupees)

Demand	Particulars	Amount
	Assistance to Colleges for Improvement of Education	1,10,00
	Reorganisation and Development of Museums	20,00
	Indian Institute of Technology, Kharagpur	33,37
	Secondary Education Institutions	6,00
	Western Higher Technological Institute, Bombay	32,67
	Other Miscellaneous Schemes (less than Rs. 5 lakhs)	66,99
Miscellaneous Departments and Expenditure under the Ministry of Education and Scientific Research.	National Library	1,00
	Central Reference Library	1,00
	Director of Archives	2,00
	Central Social Welfare Board	1,25,00
	Unesco Research on Special Implications of Industrialisation in India	1,66
	Grant to I.C.C.R. for construction of buildings	4,10
Tribal Areas	Economic Development of Tribal Areas	19,68
External Affairs	Sikkim and Bhutan Development Plan	68,00
State of Pondicherry	Establishment of a medical college	6,40
	Development Schemes	90,00
	Schemes for Welfare of Backward Classes	1,50
	Construction of a new pier	20,00
Miscellaneous Departments and Expenditure under the Ministry of Finance.	Assistance for Natural Calamities and Scarcity affected Areas	7,00,00
	Schemes for Public Co-opeation	10,00
Planning Commission	Research Programme Committee's Schemes	8,00
Grants-in-aid to States	Grants to States for the Welfare of Scheduled Tribes and Development of Scheduled Areas under the provisos to Article 275(1) of the Constitution	6,44,89
Forest	Central Forestry Schemes	16,00
	State Forestry Schemes including Nature Conservancy	25,00
	Matchwood Plantations	6,00
	Soil Conservation Researrch Demonstration and Training Centres	26,70
	Soil Survey and Planning Scheme	8,05
	Soil Conservation in Rajasthan Desert	10,00
	Grants to State Governments for Soil Conservation Schemes	57,00
Agriculture	Agricultural Research Schemes at the Indian Agricultural Research Institute	21,43
	Agricultural Research and other Development Schemes under the Indian Council of Agriculural Research	24,02
	Project for Water Resources Survey and Minor Irrigation	6,30
	Project for Ground Water Exploration under the T.C.A. Programme	1,62,24
	Schemes of Agricultural Research at the Central Rice Research Institute	1,73
	Development of Cane and Sugar Industry	48,50
	Fisheries Development Schemes	86,40
	Nilokheri Training Centre	2,54
	Gosadan Scheme	4,00
	Schemes for the Establishment of Central Pool of Plant Protection Equipment and Plant Quarantine Stations	5,84
	Field Station for Locusts investigation	72
	Grading and Fumigation of certain articles of agricultural produce for export	10,31

(In thousands of Rupees)

Demand	Particulars	Amount
	Scheme for Training of Tractor Operators .	7,47
	Establishment of a Tractor Testing Station	1,75
	Central Mechanised Farms at Bhopal, Jammu and Suratgarh . . .	13,14
	Agro-economic Research . . .	1,68
	Key Village Scheme	50,00
	Potato Research Schemes . . .	66
	Development of Fruit Preservation Scheme	5,46
	Directorate of Extension and Training .	13,76
	Grow More Food Schemes in Union Territories	35,00
	Piggery Development Schemes . .	1,86
	Poultry Developmnt Schemes . .	30,60
	Dairy Development and Cattle Colony Scheme	80,00
	Goshala Development Scheme . .	5,00
	Rehabilitation of Nomadic Cattle Breeders	2,00
	Grow More Food Schemes . . .	2,65,00
	Improvement of Land Records and Agricultural Statistics in States . .	9,00
	Multiplication and Distribution of Improved Seeds in States	1,95,63
	Higher Agricultural Education . .	80,35
	Development of Sheep & Wool . .	10,00
	Grants to States for strengthening Agricultural Research Institute . . .	12,00
	Grants to States for Commodity Development Schemes	42,68
	Grants to various Commodity Committees for Development and Research Schemes	79,40
	Grants to States for Development of Pepper and Cashewnuts	4,84
	Horticultural Schemes	10,60
	Grants to States for other Agricultural Development Schemes	7,83
Civil Veterinary Services .	Development of Indian Veterinary Research Institute and Post-Graduate Training College in Veterinary and Husbandry Sciences at the Indian Veterinary Research Institute	7,00
	Establishment of New Veterinay Colleges .	54,15
	Rinderpest Scheme	30,11
Miscellaneous Department and Expenditure under the Ministry of Food and Agriculture.	Setting up of Delhi Zoological Park .	3,25
	Training of Village Level Workers .	80,25
	Grants for Co-operative Training and Experiments	40,00
	Grants to National Cooperative Development and Warehousing Board . .	1,00,00
	National Dairy Research Institute . .	3,57
	Agro-Economic Research	3,44
	All India Cattle Show	75
	Fuel Economy-cum-Extension Service Scheme	2,00
	Development of Sugar Industry . .	4,50
Medical Services	All India Institute of Medical Sciences .	25,00
	Expansion of the All India Institute of Mental Health, Bangalore . .	7,32
	Taking over of the Tata Memorial Hospital, Bombay	7,00
	Cancer Research Centres	10,00
	Up-grading of certain Deptts. in Medical Colleges	6,00

(In thousands of Rupees)

Demands	Particulars	Amount
	After-care and Rehabilitation Centres for T. B.	10,00
	Establishment of Departments of Social and Preventive Medicine in certain Medical Colleges	7,00
	Establishment of New Dental Colleges and Expansion of existing colleges	5,00
	Supply of equipment to Medical Colleges and Research Institutions under the T. C. A. Programme	20,00
	Expansion of the existing Willingdon Hospital and Nursing Home, New Delhi	15,00
	Expansion of the Safdarjang Hospital, New Delhi	24,44
	Indigenous Systems of Medicine—Assistance for establishment and upgrading of teaching Institutions	22,25
	Opening of New Medical Colleges and expansion of existing Medical Colleges	50,00
	Subsidy for full time teaching units in the Medical Colleges	20,00
	Integration of Public Health with basic Course in Nursing	3,00
	Establishment of T.B. Clinics	30,00
	Establishment of T. B. Demonstration Centres in States	4,00
	Establishment of Dental Clinics in District Hospitals	6,38
	Paediatric Centres	2,00
	Expansion of the Human variation Unit at the Indian Cancer Research Centre, Bombay	7,00
	Other Miscellaneous Schemes (less than Rs. 5 lakhs)	13,08
Public Health	Grants to T. B. Cancer, Leprosy and other Institutions	20,00
	Grants to Indian Council of Medical Research	50,00
	Central Leprosy Teaching and Research Institute	6,00
	Training in Public Health Engineering	7,00
	National Water Supply and Sanitation Programme—Repayment of capital expenditure on Grants for Development	25,00
	Isolation of Advanced cases of T.B.	10,00
	Family Planning	25,00
	National Malaria Control Programme	3,29,38
	National Filaria Control Programme	1,05,04
	Training of Dais under various M. C. H. Schemes *viz.* Welfare, Extension Projects, etc.	4,00
	Training of Health Visitors to staff Maternity and Child Welfare Programme	5,00
	Training of Health Personnel under Community Development Programme—Auxiliary Nurses and Midwives	8,00
	Leprosy Control Scheme	20,00
	Control of V.D.	8,00
	Development of Public Health Laboratory services	5,00
	Primary Health Units	40,00
	Scheme for the establishment of Maternity and Child Welfare Centres in States	5,00

(In thousands of Rupees)

Demand	Particulars	Amount
	Opening of Health Centres in N. E. S. Blocks	13,00
	Other Miscellaneous Schemes (less than Rs. 5 lakhs)	14,55
Delhi	Scheme for Consolidation of Holdings	48
	Forest Administration, Survey, Demarcation and Extension Division	25
	Scheme for planting tree along Irrigation water channel, Railway Tract, Road side, etc.	18
	Scheme for Afforestation and Soil Conservation at Aravali Hills, South of Delhi	29
	Scheme for Afforestation along Jumna Banks for Bunding soil	37
	Scheme for Irrigation Unit in Delhi	40
	Publicity of development schemes under the Second Five Year Plan	9
	Staff for Low Income Group Housing Loans	38
	Expansion of Lady Noyce school for Deaf and Dumb	6
	Expansion of Children's Home	46
	Establishment of a Planning Unit	14
	Scholarships, Seminars, Conferences, refresher courses etc.	40
	Grants-in-aid to Voluntary Education Organisation	1,00
	Expansion of Basic Education Scheme	7,30
	Expansion of Social Education Scheme	1,98
	Opening of Nursery Schools	41
	Implementation of the recommendations of the Secondary Education Commission	10,54
	Grant-in-aid to Harijan and Backward Classes Welfare Board	3,00
	Grant-in-aid to Social Welfare Board	75
	Medical Development Schemes	5,96
	Public Health Development Schemes	4,40
	Poultry Development Schemes	1,02
	Agriculture Development Schemes	81
	Fisheries Development Schemes	26
	Veterinay Development Schemes	1,50
	Co-operative Development Schemes	2,10
	Development of Industries	3,09
	Labour Information Service	13
	Development of coordination of welfare activities	21
	Development of State Statisics	16
	Adoption of Metric system of weights and measures	13
	Community Development Projects, National Extension Service and Local Development Works Programme	8,67
Himachal Pradesh	Consolidation of Land Holdings	1,00
	Continuance of the office of the Planning Design (Irrigation)	4,44
	Staff required at District level for organising the statistical work	99
	Educational Development Schemes	22,69
	Agriculture Marketing Scheme, staff for Agricultural Statistics and Establishment of Progeny Orchard	1,49

(In thousands of Rupees)

Demand	Particulars	Amount
	Co-operative Development Schemes	1,62
	Pilot Project (Industries) Block and development of Cottage Industries and training in Blacksmithy	2,17
	Staff for Plan Publicity at District, Community Listening Scheme, Grants-in-aid to Panchayats, and Backward Classes	18,20
	Community Projects. N.E.S. Blocks and Local Development Works	48,05
Andamans and Nicobar Islands	Recurring expenses for one ship and one launch for inter Island service	30
	Educational Development Schemes	4,82
	Colonisation Scheme Andamans—Medical Schemes	57
	Development Schemes under Agriculture	35
	Fisheries Research Demonstration etc.	32
	Cocoanut Plantation Scheme	2,51
	Temporary Establishment for cattle breeding scheme	14
	Development Schemes under Veteinary	1,52
	Extension and Development of Co-operation	73
	Cottage and Small Scale Industries	1,00
	Road Transport Scheme	28
	Relief to inhabitants of Andamans who suffered during Japanese occupation	6,43
	National Extension Block	25
Manipur	Consolidation of Land Holdings	7
	Forest Development Schemes	80
	Development of Publicity	1,33
	Educational Development Schemes	8,03
	Medical Development Schemes	1,69
	Malaria Control Programme	1,71
	Fisheries Development and Pilot Experimental Nursery Schemes	8
	Cattle Development and Poultry Husbandry Training Schemes	21
	Development of Sericulture Industry and industrial development of Cottage Industries	54
	Provision of Statistical Organisation	30
	Provision for Scheduled Tribes and Backward Classes	21,31
	Provision for Development Projects, Local Development Works and National Extension Service	5,84
Tripura	Forest Development Schemes	3,27
	Educational Development Schemes	15,06
	Medical Development Schemes	8,87
	Agricultural Development Schemes	8,93
	Staff for the Statistical Department	81
	Welfare of Backward Classes and Scheduled Tribes	22,72
	Community Projects and N.E.S. Blocks	9,78

(In thousands of Rupees)

Demand	Particulars	Amount
Laccadive Minicoy and Amindivi Islands.	Development Schemes for Education	1,55
	Medical	1,50
	Public Health	50
	Agriculture	2,65
	Co-operation	75
Miscellaneous Departments and Expenditure under the Ministry of Home Affairs.	Central Bureau of correctional Services	2,00
	Grant to the International Commission for prevention of Alcoholism	3,50
	Social and Moral Hygiene and After-care Services	75,00
	Grants-in-aid to State Governments for Statistical purposes	12,00
	Grants to the Indian Statistical Institute for Capial development	15,00
	Multipurpose National Sample Survey	1,03,23
	Grants for the Welfare of Backward Classes	4,92,64
Broadcasting	Grants-in-aid to State Governments for Community Listening Schemes	15,00
	New Transmitters	9,00
Miscellaneous Departments and expenditure under the Ministry of Information and Broadcasting	Publicity	9,00
	Production and Distribution of films by the Film Division	15,00
	Publications Division—Five Year Plan Publicity	8,79
	Publicity through Mobile Units	28,90
	Second Five Year Plan Publicity	10,00
	Exhibitions	6,000
	Grants-in-aid to Social Welfare Agencies	5,00
	Grants-in-Aid to Childern's Film Society	4,00
Multipurpose River Schemes	Investigaion of Multipurpose River Schemes, Flood Control etc.	1,14,40
Miscellaneous Departments and Expenditure under the Ministry of Irrigation and Power.	Grants for Public Co-operation	10,00
	Grants for fundamental and basic research in connection with River Valley Projects and Flood Control Works	13,10
Chief Inspector of Mines	Barrier Survey in Coal Mines	2,50
Miscellaneous Departments and Expenditure under the Ministry of Labour & Employment.	Workers Education	10,00
	Central Labour Institute and Regional Museums	5,62
	Scheme for the setting up of Wage Boards for selected Industries	5,76
	Expansion of Employment Exchanges	6,00
	Expansion of Training Centres	20,00
	Apprenticeship Trading Scheme	6,00
	Training of Educated Unemployed	30,00
	Setting up of Works and Orientation Centres for Educated Unemployed	50,00
	Lands and Buildings under scheme for the Training of Craftsmen	60,00
	Tools and Equipment for the Training of Craftsmen	50,00
	Other Miscellaneous Schemes (less than Rs. 5 lakhs)	21,62
Expenditure on displaced persons	Grants for Industries	15,00
	Education	3,06,92
	Vocational Technical Training	1,19,48
	Medical Facilities	45,37
	Cheap Tenements	10,00
Mines	Expansion of the Indian Bureau of Mines, Indian School of Mines and Applied Geology	28,02
Exploration of Oil and Natural Gas.	Oil and Natural Gax Commission	2,57,67

(In thousands of Rupees)

Demand	Particulars	Amount
Light-house and Light-ships .	Improvement of ads to navigation along the coast of India . .	95,00
Communications (including National Highways).	Construction and Development of Roads other than National Highways . .	4,00
	Purchase of Tools and Plants .	12,50
Miscellaneous Departments and Expenditure under the Ministry of Transport and Communications.	Establishment of a Monitoring net work in India	8,70
	Contribution to Ganga Brahmaputra Water Transport Board	2,00
	Development of Inland Water Transport .	18,00
	Development of Pandu Port . .	5,00
	Contribution to International Organisations	7
	Sethusamudrum Project—Preliminary Expenses	5,00
	Development of Tourist Centres . .	10,30
	Subsidy to Ship Building Industry .	1,00,00
Atomic Energy Research .	Atomic Energy Research . . .	3,10,00
	TOTAL—REVENUE .	1,28,03,24

B.—CAPITAL BUDGET

Demand	Particulars	Amount
Capital Outlay of Ministry of Commerce and Industry	Development of Small Scale Industries	85,00
	Industrial Development—Purchase of Shares of Orissa Mining Corporation .	22,50
	Purchase of Shares of Civil Explosive Factory . .	10,00
	Reorganisation of the National Instruments Factory	20,00
	Purchase of shares of the Heavy Electricals (Private) Limited . .	1,00,00
	Purchase of shares of the Nangal Fertilizers and Chemical (Private), Ltd. .	2,00,00
	Development of salt works . .	40,00
	Purchase of shares of Hindustan Antibiotics, (P) Ltd.	50,00
	Purchase of shares of Hindustan Insecticides (P) Limited	40,00
	Purchase of shares of Export Risk Insurance Corporation	50,00
Capital Outlay of the Ministry of Community Development.	Material and Equipment under the T.C.A. Programme . . .	1,67,49
Capital Outlay of the Ministry of Education and Scientific Research.	Grants-in-aid to the Council of Scientific and Industrial Research for development of existing Laboratoies/Institutes and opening of new Research Laboratories and Institutes . .	50,00
	Equipment for Geological Survey of India .	10,00
	Geological Research Wing of Central Board of Geophysics—Instruments and equipment . .	9,00
	Material and Equipment under T.C.A. Programme for Survey of India .	12,30
	Material and Equipment under T.C.A. Programme for Council of Scientific and Industrial Research	50,00
	Material and Equipment under T. C.A. Programme for Geological Survey of India	2,500
	Material and Equipment under Colombo Plan for Council of Scientific andIndustrial Research	10,00

(In thousands of Rupees)

Demand	Particulars	Amount
Capital Outlay on India Security Press.	Construction of Buildings	6,36
Capital Outlay on Currency and Coinage.	Construction of Buildings	24,24
	Security Paper Mill	10,00
Capital Outlay on Mints . .	Silver Refinery Project	13,13
	Construction of Buildings	55,00
Other Capital Outlay of the Ministry of Finance.	Rehabilitation of Indian Railways . .	2,51,00
	River Valley and Irrigation Projects . .	29,20
	Improvement of Rajasthan Power Facilities	38,00
	Import of Industrial Raw Material . .	2,00
	Grants for Local Development Works	6,00,00
Loans and Advances by the Central Government.	Loans to States including Loans for Grow More Food	1,96,02,20
	Loans to Port Trusts	6,00,00
	Other Loans	92,90,01
Capital Outlay on Forests . .	Forestry Schemes in Union Territories	10,00
	Research Demonstration and Training Centres	41
Other Capital Outlay of the Ministry of Food and Agriculture.	T.C.M. Tubewell Projects . . .	60,00
	Project for Water Resources Survey and Minor Irrigation	12,00
	Construction of Central Control Laboratory at Nagpur, Regional Laboratories and addition to the existing laboratory .	15,39
	Contribution to National Co-operati e Development and Warehousing Board .	1,00,00
	Central Mechanised Farm, Suratgarh .	13,00
	Marine Fisheries Research Scheme . .	11,00
	Construction of two Cold Storages in the country	10,00
	Land Reclamation Scheme . . .	85,00
	Cost of material and equipment received under T.C.A. programme for the Schemes of Training of Village Level Workers	10,00
	Delhi Milk Supply Scheme . . .	90,00
	Grow More Food Schemes . . .	20,00
	Development of Marine Fisheries,—Central Off-shore Stations	14,00
	Higher Agricultural Education . .	60,00
	Other Miscellaneous Schemes (less than 10 lakhs)	99,38
	Development of the Indian Institute of Sugar Technology, Kanpur . .	2,00
Capital Outlay of the Ministry of Health.	National Water Supply and Sanitation Programmes	2,50,00
	B.C.G. Vaccine Laboratory, Guindy .	2,00
	Material and Equipment for National Malaria Control	3,45,30
	Material and Equipment for National Filaria Control	1,11,36
	Equipment to Medical Colleges and Research Institutions under T.C.A. .	20,00
Capital Outlay of the Ministry of Home Affairs.	Purchase of Boats for Laccadive Islands .	4,25
	Purchase of two ships and three launches by the Andamans Administration .	1,39,50
Capital Outlay on Broadcasting	Development of Broadcasting . . .	3,40,00
Capital Outlay on Multipurpose River Schemes.	Land and Buildings for the Central Water and Power Research Station, Poona .	12,07
	Damodar Valley Corporation . . .	3,61,00

(In thousands of Rupees)

Demand	Particulars	Amount
Other Capital Outlay of the Ministry of Irrigation and Power.	Flood control Scheme in Tripura . .	10,00
	Nationalisation of Agartala Electric Supply and electrification of Sub-Divisional towns and investigation of Hydro-electric power in Tripura . . .	10,00
	Electricity Schemes in Manipur . .	6,00
	Flood Control and Irrigation Works Delhi .	5,22
	Improvements to river embankments in Manipur	2,00
	Electricity Schemes in Himachal Pradesh .	20,00
Capital Outlay of the Ministry of Labour and Employment.	Material and Equipment under the T.C.A. Programme for the Central Labour Institute, Regional Museums, etc. . .	5,62
	Central Institutes for Instructors . .	15,00
	Scheme for the training of Craftsmen .	7,87
Capital outlay of the Ministry of Steel, Mines and Fuel.	Purchase of Shares in the Hindustan Steel Ltd.	60,00,00
	Bhilai Steel Plant	63,33,00
	Durgapur Steel Plant	33,50,00
	Coal Washeries	1,00,00
	Expenditure on Coal Production Programme	76,31
	Scheme on exploration, exploitation and refining oil in India . . .	2,90,93
	Equipment and furniture for the Indian School of Mines and Applied Geology .	9,41
	Material and Equipment under T. C. A. Programme for Indian Bureau of Mines .	8,00
	Purchase of Shares of the Neyveli Lignite Corporation (Private) Ltd. . . .	4,00,00
Capital Outlay on Posts and Telegraphs (not met from Revenue).	Posts and Telegraphs Development Schemes	10,75,00
Capital outlay on Civil Aviation .	Aviation Works and Equipment . .	2,67,61
	Meteorological Equipment . . .	20,00
Capital Outlay on Ports . .	Development of the Kandla Port . .	3,45,00
	Development of Vizagapatam Port . .	1,45,00
	Development of Township of Gandhidham	45,00
Capital Outlay on Roads . .	National Highways and other Roads .	14,50,00
Other Capital Outlay of the Ministry of Transport and Communications.	Development of Road Transport in Manipur	4,50
	Development of Road Transport in Himachal Pradesh	8,50
	Investment in Eastern Shipping Corporation	1,20,00
	Investment in Western Shipping Corporation	2,00,00
	Conversion of third Survey Ship . .	20,00
	Expansion of the Overseas Communications Service Stations	36,00
	Components for storm detecting radar under T.C.A.	1,02
	Purchase of Shares of Hindustan Shipyard Ltd.	30,00
	Establishment of Second Shipyard . .	3,00
Delhi Capital Outlay . .	Civil Woks Programme	7,38,42
Capital Outlay on Buildings .	Buildings	4,61,58

(In thousands of Rupees)

Demand	Particulars	Amount
Other Capital Outlay of the Ministry of Works, Housing and Supply.	Grants for Subsidised Industrial Housing Scheme	2,00,00
	Grants for slum clearance	10,00
Capital Outlay of the Department of Atomic Energy.	Lands and Buildings	32,40
	Uranium Processing Plant . . .	15,00
	Reactors	5,00,50
	Canada -India Reactor	2,95,00
	Nuclear Research	35,00
	Other Schemes	22,10
	TOTAL—CAPITAL . .	5,63,77,58
	GRAND TOTAL . .	6,91,80,82

SECTION II
CAPITAL RECEIPTS AND DISBURSEMENTS

SECTION II

CAPITAL BUDGET

Introductory Notes

This Section explains the estimates of the Receipts and Disbursements on Capital Account of the Central Government. These cover receipts and payments on capital schemes financed by the Central Government, borrowings from the home market or abroad, in the form of regular loans and treasury bills, borrowings from the Reserve Bank by way of ways and means advances, and Small Savings which comprise the Postal Savings Bank, the National Savings Certificates issued through Post Offices, Treasury Savings Deposits, etc. They also cover a variety of other items such as State Provident Funds, various deposits under the Income-tax Act, depreciation and reserve funds of departments like Railways and Posts and Telegraphs, special *ad hoc* funds created from time to time by Government and so on. It is difficult, in the compass of a brief note, to indicate fully the scope and variety of these miscellaneous items but details of these are given in Statement C of the Annual Financial Statement.

The capital requirements of Government are ordinarily met from four sources. Firstly, regular loans are floated and, in the case of short term requirements, treasury bills are issued, ordinarily for a period of 91 days at a time. Secondly, there is the flow of money through Postal Savings Bank and Savings Certificates. Thirdly, there are the receipts into the various depreciation, reserve and other funds, and under the deposit heads. Further, any sum provided in the revenue budget for reduction or avoidance of debt or for debt redemption is also available, as it is transferred to capital by debit to the revenue budget. To the extent to which the net receipt from these sources is insufficient to meet the capital requirements the deficit has to be made good from revenue, the accumulated cash balances, and if neither is available, by the sale of *ad hoc* treasury bills to the Reserve Bank. Conversely, any surplus of capital receipts over disbursements is available for covering a revenue deficit or for augmenting the cash balances of Government.

The statement on the following two pages summarises the capital transactions included in the budget for the current and ensuing years and indicates the sources from which capital requirements will be met.

SUMMARY OF CAPITAL

RECEIPTS

(In lakhs of rupees)

	Account, 1955-56	Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
New Loans	1,06,35	1,39,50	1,89,23	2,09,93
15-year Annuity Certificates	45	60	47	80
Inter-State Debt Settlement—India and Burma	78	..	..	..
Net receipts from :				
Treasury Bills	1,23,38	3,55,85	2,70,00	2,75,00
Treasury Savings Deposits Certificates	4,06	5,00	3,20	4,30
Post Office Savings Bank	35,09	34,00	33,00	41,00
Post Office Cash Certificates	—1,26	—1,10	—83	—66
National Savings Certificates	19,27	20,60	19,75	23,70
Defence Savings Certificates	—6	—5	—2	—
National Plan Certificates	9,00	11,50	9,50	11.00
Other Unfunded Debt	16,89	19,23	18,16	19,12
Railway Depreciation, Revenue Reserve and Development Funds	6,92	5,99	11,85	22
Telephone Development Fund	44	9	27	—10
P. & T. Renewals Reserve Fund	37	18	30	1,58
Other Miscellaneous Reserve Funds	21	—95	—65	—85
Appropriation for Reduction or Avoidance of Debt	5,00	5,00	5,00	5,00
Deposits under Income Tax Act (Net)	—1,33	—95	—95	14,58
Discount Sinking Fund (Net)	—50	1,29	—1,21	1,59
Payment by Reserve Bank for Rupee Coin	5,00	5,00	5,00	5,00
Repayment of Loans by States	25,22	27,26	35,38	44,12
Other Loan Repayments	8,10	14,79	11,33	11,80
Other Deposits and Advances (Net)	40,89	66,89	1,04,97	1,79,43
TOTAL	4,04,72	7,09,72	7,13,75	8,46,52
Deficit on Capital Account	76,95	..	..	44,81
	4,81,22	7,09,72	7,13,75	8,91,33

DISBURSEMENTS

(In lakhs of Rupees)

	Account, 1955-56	Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Capital Outlay :				
Railways	67,52	1,13,43	1,03,81	1,24,17
Irrigation	12	18	20	17
Posts and Telegraphs	9,03	9,75	9,85	9,85
Schemes of Agricultural Improvement and Research	32	3,26	3,22	2,42
Industrial Development	11,07	79,60	79,91	1,85,92
Aviation	1,95	3,37	3,18	2,88
Broadcasting	1,17	1,55	1,40	1,65
Ports	3,96	5,76	5,41	5,29
Currency and Coinage	8,47	79	1,09	3
Mint	28	38	31	72
Delhi Capital Outlay	5,33	10,07	7,94	7,38
Multi-purpose River Schemes	2,86	2,37	2,37	3,7
Electricity Schemes	18	77	55	37
Civil Works	19,22	18,24	18,03	11,37
Commutation of Pensions	—42	—19	—31	—32
Sterling Pensions	—8,59	—8,82	—9,01	—8,85
Defence Capital Outlay	17,59	26,30	21,36	23,54
Schemes of Government Trading	—29,59	9,51	29,95	49,35
Development Grants	13,09	12,39	12,78	10,15
Compensation to Displaced persons	3,68	26,24	21,19	19,91
Shipping and Tankers, etc.	..	1,35	20	1,64
Transfer of Sale Proceeds of American Loan Commodities	..	..	..	95,30
Other Works	..	..	..	3,52
Other Civil Heads	12	45	26	38
Discharge of Permanent Debt	72,30	4,56	83,81	38,74
Inter-State Settlement	68	6	3,07	1,45
Advances to State Governments	2,48,87	2,74,26	2,32,76	2,33,37*
Other Loans and Advances	32,01	96,00	63,98	67,20
TOTAL	4,81,22	6,91,63	6,97,31	8,91,33
Surplus on Capital Account	..	18,09	16,44	..
	4,81,22	1,19,22	7,13,75	8,91,33

*For the reasons explained in para 66 of the Budget Speech, this figure is less by Rs. 15 crores than the amount shown in the Demands for Grants.

NOTES ON CAPITAL TRANSACTIONS

Receipts

New Loans.—The current budget took credit for Rs. 100 crores on account of a new loan, Rs. 1·5 crores from the International Bank for Reconstruction and Development fo Second D.V.C. Loan, Rs. 10 crores from U.S.S.R. for equipment for the Bhilai Steel Project and Rs. 28 crores from U.S.A. for the purchase of wheat, cotton and steel. The Revised Estimates have been placed at Rs. 189·23 crores. Of these Rs. 157 73 crores are on account of the three new loans issued during the year, namely, (i) 3¼ per cent Bonds, 1962, (ii) 3½ per cent National Plan Bonds—Third Series—(3½ per cent, 1967) and (iii) 3¾ per cent Loan, 1974. The Second D.V.C. Loan from the I.B.R.D. would now be for Rs. 1·75 crores only, the loan from U.S.S.R. Rs. 7·45 crores and the loan from U.S.A. for the purchase of agricultural and other commodities Rs. 22·3 crores.

The next budget assumes a new market loan of Rs. 100 crores, Rs. 90 lakhs for the Second D.V.C. Loan from the I.B.R.D., Rs. 36 crores from U.S.S.R. for the Bhilai Steel Project and Rs. 73·03 crores from U.S.A. Of the loan from U.S.A. Rs. 18·03 crores would come under the Technical Co-operation Aid Programme and Rs. 55 crores under Public Law 480 for the purchase of certain commodities, like wheat, rice, cotton, etc.

15-*year Annuity Certificates.*—These certificates were introduced with effect from 1st July, 1954 and are intended to cater for those who wish to secure a regular monthly income against a lump sum investment. An initial investment of Rs. 3,500, Rs. 7,000, Rs. 14,000 or Rs. 28,000 secures for the depositor a monthly payment, free of income-tax, of Rs. 25, Rs. 50, Rs. 100 or Rs. 200 respectively, for a period of 15 years, commencing after the expiry of one calendar month from the date of purchase. The maximum purchase by a single individual is limited to Rs. 28,000 and by two joint holders to Rs. 56,000.

Sales of these certificates have been assumed at Rs. 47 lakhs, this year and Rs. 80 lakhs, next year.

Treasury Bills.—Against the current budget of Rs. 355·85 crores the net expansion of Treasury Bills is now estimated at Rs. 270 crores. The shortfall is due partly to the improvement in the revenue budget and partly to less payment of loans to State Governments and other parties. For the next year, a net expansion of Rs. 275 crores has been assumed.

On the basis of these estimates the outstanding balance of Treasury Bills on 31st March, 1957 and 31st March, 1958, will amount to Rs. 865·25 crores and Rs. 1140·25 crores, respectively.

Treasury Savings Deposit Certificates.—10 Year Treasury Savings Deposit Scheme was introduced with effect from 1st February 1951. Under this Scheme, deposits in multiples of Rs. 100 are accepted at the offices of the Reserve Bank of India, branches of the State Bank of India conducting Government treasury business and District treasuries and sub-treasuries. These deposits, individual holdings in which are limited to Rs. 25,000 and joint holding to Rs. 50,000 run for ten years and carry interest at 3½ per cent free of income-tax, interest being paid annually. The depositors have an option of withdrawing the deposits before maturity but after the initial lock up period of one year on refunding a part of the interest drawn by them.

Current budget assumed a figure of Rs. 5 crores as the net receipts on account of these Certificates, but on the trend of actuals, the net collections are now estimated at Rs. 3·2 crores only. The next budget allows for some improvement and provides Rs. 4·3 crores net on this account.

Post Office Savings Bank Deposits.—Current year's budget assumed a net receipt of Rs. 34 crores from Post Office Savings Bank. On the trend of current actuals, the net receipts are now estimated at Rs. 33 crores this year including Rs. 5·87 crores for adjustment of interest. Next budget assumes a net credit of Rs. 41 crores including Rs. 6·35 crores on account of interest.

Interest at 2 per cent per annum free of Income-tax is allowed on balances in the Post Office Savings Bank Accounts upto Rs. 10,000 (Rs. 20,000 in case of joint accounts) and 1½ per cent., free of Income Tax on balances exceeding Rs. 10,000 (Rs. 20,000 in the case of joint accounts). The maximum holding for one person in the Post Office Savings Bank is Rs. 15,000 and for two persons jointly Rs. 30,000. No limits are applicable for public accounts which earn interest at 1½ per cent.

Post Office Cash Certificates.—With the issue of National Savings Certificates in 1943, Postal Cash Certificates ceased to attract investment. Their issue was, therefore, discontinued with effect from the 15th June, 1947. The total discharges this year and the next year are estimated at Rs. 83 lakhs and Rs. 66 lakhs respectively.

National Savings Certificates.—Budget this year provided a net receipt of Rs. 20·6 crores against which the revised estimates, on the basis of the trend of current actuals, have been placed at Rs. 19·75 crores. Next years estimates have been asumed at Rs. 23·7 crores.

National Savings Certificates are available in 7 and 12 years series, which earn simple interest at maturity of 3·57 per cent. and at 4·16 per cent. per annum respectively, free of Income Tax. An individual can purchase Certificates upto Rs. 25,000 in his name and upto Rs. 50,000, jointly with another person. Charitable institutions are allowed to invest upto Rs. 60,000, whereas for local authorities, co-operative societies, etc., the maximum limit is Rs. 1 lakh. No limits have been laid down for the investment of Provident Fund balances.

Defence Savings Certificates.—These Certificates which were issued during the last war, were discontinued in October, 1943, when National Savings Certificates were introduced. Provision now made is for the gradual discharge of the outstanding Certificates. The total discharges this year end the next year are estimated at Rs. 2 lakhs and Rs. 4 lakhs respectively.

'10-*Year National Plan Certificates.*—These were issued with effect from 10th May, 1954 in denominations of Rs. 25 and Rs. 50 to encourage small investors, particularly in the rural areas. Two fresh denominations of Rs. 100 and Rs. 500, were introduced with effect from 1st November, 1954 and two further denominations of Rs. 5 and Rs. 10 have been added with effect from the 1st November, 1955 to afford a wider coverage. These Certificates are issued only to individuals and the maximum holding which was earlier fixed at Rs. 1,000 per person or Rs. 2,000 by two persons jointly, and which has now been increased to Rs. 2,500 and Rs. 5,000 respectively with effect from the 10th May, 1955 gives a return of Rs. 3·75 per cent per year, compound interest, free of Income Tax.

Net receipts during the current and the next year are estimated at Rs. 9·5 crores and Rs. 11 crores respectively.

Other Unfunded Debt.—The transactions mainly relate to State Provident Funds and provision has been made for the net anticipated credit. The rate of interest allowed to the subscribers to these Funds other than some earlier subscribers who are entitled to a minimum guaranteed rate of 4 per cent. is determined every year on the basis of the average redemption yield during the 5 calendar years immediately preceding, from all Government of India Rupee loans, with unexpired terms exceeding five years, rounded off to the nearest quarter. The rate for the current and the next year has been fixed at 3¾ per cent.

The estimates assume the net increase in investment under this head of Rs. 18·16 crores this year and Rs. 19·12 crores next year.

Railway Depreciation, Revenue Reserve and Development Funds.—Provision has been made for the anticipated transactions, details of which appear in the Railway Budget.

Telephone Development Fund.—In connection with the Scheme for advance collection of a part of the telephone rents from those who elect to own their telephones, the lump sum recovered from the subscribers is credited to this Fund and is utilised in financing capital expenditure on telephones. The amounts collected are initially credited to Revenue and the corresponding payments to the Fund are treated as expenditure. The appropriations from the Fund are taken in reduction of the Capital expenditure on Posts and Telegraphs.

The credits to the Fund this year are estimated at Rs. 67 lakhs and the withdrawals at Rs. 40 lakhs. Next year Rs. 65 lakhs will be paid into the Fund and Rs. 75 lakhs withdrawn from it.

P. & T. Renewals Reserve Fund.—This Reserve Fund is designed to meet the cost of all replacements and abandoned assets Current revised takes a contribution (including interest) from Revenue to the Reserve Fund of Rs. 1·45 crores and withdrawals from the Fund of Rs. 1·15 crores and budget assumes a similar credit to the Fund of Rs. 2·73 crores and withdrawals of Rs. 1·15 crores.

Other Miscellaneous Reserve Funds.—This head accommodates transactions relating to the Reserve Funds of the various Departments of the Government, of which the important ones are General Reserve Fund (Lighthouses and Lightships), Renewal Reserve Fund (Salt), Depreciation Reserve Fund (Overseas Communication Service) and Depreciation Reserve Fund (Vishakapatnam Port).

Appropriation for Reduction or Avoidance of Debt.- Credit is taken under this head for the usual amount of Rs. 5 crores provided from Revenue for the reduction or avoidance of debt.

Deposits under Income Tax Act (Net).—As against the net payment of Rs. 95 lakhs provided in the original budget which has been repeated in the revised, the budget for next year has been asumed at net receipt of Rs. 14·58 crores. The large increase in net receipts is due to the provision for the Companies' deposits under the new sub-section (2B) of section 10 of the Income-tax Act, 1922 as introduced by Finance (No. 3) Act, 1956.

Discount Sinking Fund (Net).—When loans are issued at discount, the discount is debited to this head and credit for the face value of the loan taken under 'Permanent Debt'. The discount initially taken to this head is

written back to Revenue and debited to interest over the period for which the loan is issued. The revised estimate takes into account the payment of Rs. 2·5 crores on account of discount on the three new loans floated during the year, partly offset by the recovery of Rs. 1·29 crores from Revenue of discount paid on earlier loans.

No provision is included in the budget for the discount on the new loan to be floated next year as the terms are settled only at the time of the issue of the loans. Budget provides Rs. 1·59 crores as recovery from revenue of discount on loans floated in earlier years.

Payment by Reserve Bank for Rupee Coin.—Credit is taken here for payment of Rs. 5 crores made by the Reserve Bank under section 36 of the Reserve Bank Act for rupee coins taken by it from Government.

Repayment of loans by States and other loan repayments.—The principal portion of all repayments is taken here and interest receipts are taken in reduction of expenditure under interest in the case of States and as revenue under "XX-Interest" in other cases.

Other Deposits and Advances (Net).—This head records the net effect of the transactions occurring under the remaining Debt, Deposit and Remittance heads. The large increase next year is almost wholly due to the transfer of Rs. 80·3 crores to the Special Development Fund on account of foreign assistance received from U.S.A.

DISBURSEMENTS

NOTE.—The explanations below relate to the figures by Major Heads given in the summary of capital transactions. These figures do not agree with those shown in the individual Demands. This is due to two factors. In the first place, in most cases, the same Major Head would appear in more than one Demand and secondly, while recoveries are taken in the accounts in reduction of expenditure, the figures in the Demands are for gross expenditure excluding recoveries.

Railways.—Details appear in Railway Budget.

Irrigation.—Revised provides for certain irrigation works; Rs. 8 lakhs for Delhi, Rs. 10 lakhs for Tripura and Rs. 1 lakh for Kutch prior to its merger with Bombay and Rs. 1 lakh for Andamans. Budget likewise includes Rs. 5 lakhs for Delhi, Rs. 10 lakhs for Tripura and Rs. 2 lakhs for flood protection works in Manipur.

Posts and Telegraphs.—The distribution of expenditure is given below:—

(In lakhs of Rupees)

	Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Postal	1,17·99	90·83	1,70·23
Telegraphs	2,19·84	2,47·00	2,34·06
Radios	22·11	12·93	15·16
Telephones	6,80·06	6,74·24	6,40·55
Fair Price Shops	—·27	—·20	..
Deduct—Amount met from Telephone Development Fund	—65·00	—40·00	—75·00
TOTAL	9,74·73	9,84·80	9,85·00

Schemes of Agricultural Improvement and Research.—Provision is made under this head for capital expenditure on various schemes for development and research in agriculture, such as, marine fisheries, Grow More Food Campaign in Union Territories and expansion of Research Centres of which mention may be made of the Indian Agricultural Research Institute, the Central Potato Research Institute, the Central Rice Research Institute, the Sugar and Sugar-cane Research and Breeding Institutes, Central Control Laboratories, etc.

Budget includes Rs. 1 crore for contribution to the National Co-operative Development and Warehousing Board, Rs. 20 lakhs have also been provided in the next year's Budget for the Delhi Milk Supply Scheme introduced this year.

Industrial Development.—Details of the provision are indicated below:—

(In lakhs of Rupees)

	Budget, Estimate, 1956-57	Revised, Estimate, 1956-57	Budget, Estimate, 1957-58
Department of Atomic Energy.			
1. Acquisition of Lands for Atomic Energy Establishment	17·95	10·00	10·00
2. Buildings for the Atomic Energy Establishment	10·00	15·00	22·40
3. Purchase of shares of the Corporation for Mineral Sand Separation Industry	25·00	25·00	0·50
4. Investment in Indian Rare Earths (Private) Ltd.	..	11·00	0·50
5. Other Development Expenditure of Atomic Energy Department	..	..	20·00
6. N. R. X. Reactor	200·00	150·00	165·00
7. Pilot Plant at Ghatsila	0·50	1·48	1·00
8. Swimming Pool Reactor	..	11·40	0·50
9. Titanium Metal Sponge Plant	5·00	..	..
10. Thorium Uranium Plant	0·05	2·72	0·10
11. Uranium Metal Processing Plant	20·00	7·00	15·00
12. Zerlina Reactor	..	60·00	40·00
Ministry of Commerce and Industry.			
13. Institute of Small Scale Industries	30·00	25·00	85·00
14. Investment in State Trading Corporation	10·00	100·00	..
15. National Small Scale Industries Corporation	..	10·00	..
16. Purchase of Share in Orissa Mining Corporation	..	2·50	22·50
17. Civil Explosives Factory	24·00	20·00	10·00
18. Diesel Engine Factory	..		0·38
19. Additional Fertiliser Factories	25·00	5·00	..
20. Hindusthan Insecticides, Ltd.	5·00	24·00	28·00
21. Hindusthan Antibiotics, Ltd.	50·00	49·90	50·00
22. Hindusthan Machine Tools, Ltd.	25·00	45·00	..
23. Purchase of shares in Nangal Fertilizers and Chemicals, Ltd.	25·00	1,79·00	2,00·00
24. Purchase of shares in Heavy Electricals (Private), Ltd.	..	24·00	1,00·00
25. Second D. D. T. Factory	29·00	..	..
26. Heavy Electrical Equipment Factory	36·50	4·20	..
27. Development of Salt Works	35·00	20·00	40·00
28. National Instruments Factory	39·65	28·32	20·00
29. Export Risk Insurance Corporation	..	..	50·00

(In lakhs of rupees)

	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
Ministry of Education and Scientific Research			
30. Grant to the Council of Scientific and Industrial Research	1,50·00	1,50·00	50·00
31. Equipment for Geological Survey of India	..	..	10·00
32. Instruments and Equipments for Central Board of Geophysics	..	..	9·00
Ministry of Finance			
33. Life Insurance Corporation	5,00·00	5,00·00	..
34. State Financial Corporation, Punjab and Delhi	.	..	16·00
35. Purchase of shares of International Finance Corporation	2,11·00	2,12·31	..
Ministry of Health			
36. Plant and Equipment for Dry Freeze Vaccine Laboratory, Guindy	3·00	1·00	2·00
Ministry of Home Affairs			
37. Scheme for Industrial Development, Andamans	2·50	2·50	..
Ministry of Irrigation and Power.			
38. Purchase of Shares of National Construction Corporation	..	5·00	10·00
Ministry of Rehabilitation			
39. Purchase of shares in the Rehabilitation Housing Corporation, Ltd., Delhi	5·00	..	..
Ministry of Steel, Mines and Fuel			
40. Durgapur Steel Project	10,00·00	12,00·00	33,50·00
41. Establishment of two Coal Washeries	..	..	1,00·00
42. Hindusthan Steel, Ltd.	15,00·00	9,00·00	60,00·00
43. Second Steel Plant at Bhilai	18,74·00	14,00·00	63,33·00
44. Oil Exploration Scheme	1,33·17	1,00·17	2,90·93
45. Equipment and Furniture for the Indian School of Mines and Applied Geology	..	..	9·41
46. Coal Production Programme	79·00	79·00	76·31
47. Equipment for Bureau of Mines	5·00	5·00	..
48. Collieries	10,71·44	—86·26	..
49. Lignite Development Project	76·22	—1,05,91	..
50. Purchase of shares in Neyveli Lignite Corporation	..	5,30·21	4,00·00
51. Purchase of shares in National Coal Development Corporation	..	11,11·35	..
52. Establishment of Synthetic Oil Plant	..	1·74	..
Ministry of Transport and Communication			
53. Eastern Shipping Corporation	74·00	74·00	1,20·00
54. Western Shipping Corporation	..	3,50·00	2,00·00
55. Investment in the Air India International	2,75·00	3,27·00	1,55·00
56. Investment in the Indian Air Lines Corporation	2,61·25	2,35·75	5,09·84
57. Overseas Communications Service	37·00	30·19	36·00
58. Establishment of Second Shipyard	·50	2·00	3·00
59. Hindusthan Shipyard, Ltd.	89·78	75·78	30·00
Ministry of Works, Housing and Supply			
60. Govt. Housing Factory	·01	1·34	·01
61. Purchase of shares in Ashoka Hotels, Ltd.	.	58·15	..
62. Purchase of shares in Hindusthan Housing Factory, Ltd.	..	..	1·00
TOTAL	79,60·52	79,90·84	1,85,92·38

Aviation.—The savings of Rs. 19 lakhs in the revised are due to slow progress on aviation works owing to delay in the receipt of materials and equipment and completion of land acquisition proceedings.

The budget provides for the installation and expansion of the facilities at the various aerodromes and communication stations.

Broadcasting.—Savings in the revised are due to delay in the receipt of equipment ordered from abroad and consequently slower progress on works.

Budget provides *inter alia* for (i) the installation of six 100 Kw short-wave transmitters at Delhi, Madras and Bombay, (ii) two 100 Kw medium-wave transmitters at Delhi, (iii) six 50 Kw medium-wave transmitters at Jullundur, Lucknow, Calcutta, Ahmedabad, Bombay and Bangalore, (iv) two 20 Kw short-wave transmitters at Delhi, (v) eleven 20 Kw medium-wave transmitters at Indore, Ajmer, Delhi, Calcutta, Madras, Cuttack, Patna, Vijayawada, Bombay, Trichur and Tiruchirapalli, (vi) seven 10 Kw short-wave transmitters at Lucknow, Delhi, Bhopal, Simla, Gauhati and Hyderabad. Budget also includes provision for the installation of one 1 Kw medium-wave transmitter and also for a studio and Receiving Centre at Poona, extension of the Broadcasting House at Delhi and for the establishment of an experimental television unit at Delhi.

Ports.—Provision is included under this head for the development of Vishakhapatnam and Kandla Ports and the township of Gandhidham. The administrative control over the Vishakhapatnam Port was transferred to the Ministry of Transport from the Ministry of Railways with effect from the 1st October, 1956.

The revised and budget include Rs. 417·29 lakhs and Rs. 342·4 lakhs respectively for Kandla Port. Similar figures for the township of Gandhidham are Rs. 28·38 lakhs and Rs. 41·62 lakhs respectively. Vishakhapatnam Port would require Rs. 95·37 lakhs this year of which Rs. 13·89 lakhs were spent while the Port was under the Ministry of Railways and Rs. 145 lakhs next year.

Currency and Coinage.—Details of the provision are as follows:—

(In lakhs of Rupees)

	Budget 1956-57	Revised 1956-57	Budget 1957-58
Lands and buildings, including plant, machinery and equipments	8·64	16·58	75·78
Payment to the Reserve Bank against Hyderabad Currency notes liability taken over by the Bank	55·00	55·00	..
Security Paper Mill	15·00	5·00	10·00
Purchase of metal	..	32·76	—82·93
TOTAL	78·64	1,09·34	2·85

The increase in the revised is due to the increased requirements for lands, buildings, plants and machinery of the Mints and to the inclusion of provision for the purchase of metal following the revision of the Coinage Accounts.

Prior to 1st April, 1956, transactions relating to the coinage operations of the Government of India were kept in the Public Account outside the Consolidated Fund. The net profit on coins passed into circulation during the year was transferred to a suspense head and credit for a fixed sum of Rs. 45 lakhs *plus* the actual Mint expenditure during the year was taken as Mint receipts in the revenue budget every year by debit to the suspense head. As these arrangements had the effect of excluding from the Consolidated Fund of India the expenditure incurred on the purchase and acquisition of metal for coinage including also the loss on the destruction of coins, the procedure was revised during the current year. Under the revised procedure, provision is required to be made for expenditure on purchase and acquisition of metal for coinage under the above Capital head. But this head receives credit for the value of metal actually used for coinage, etc Similarly, provision is made in the revenue budget under the Grant for Mints for the loss on the destruction of coins returned as unfit for re-issue. The profits on coins put into circulation during the year are transferred to the revenue budget as Mint receipts.

The Revised includes a gross provision of Rs. 1,29:08 lakhs for the purchase, etc., of metal for coinage of which Rs. 96·32 lakhs will be recovered on account of metal actually used for coinage. Thus, the net debit for the purchase of metal would be Rs. 32·76 lakhs only in the current year.

Budget includes Rs. 75·78 lakhs for lands, building, equipment, etc., for the Mints, Rs. 10 lakhs for the Security Paper Mill and Rs. 1·81 crores (gross) for the purchase, etc, of metal for coinage. In view of the introduction of decimal coinage with effect from the 1st April, 1957, the estimates assume recoveries for the value of metal actually used for coinage at Rs. 2·64 crores.

The net expenditure under the head is, thus, estimated at Rs. 2·85 lakhs only.

Mint.—The saving this year is due mainly to slower progress on the construction of staff quarters at Calcutta offset partly by larger purchases of stores for the Silver Refinery. Budget includes Rs. 15 lakhs and Rs. 40 lakhs for the Calcutta and Bombay mints respectively for the construction of staff quarters.

Delhi Capital Outlay.—Cost of constructions of buildings in New Delhi and Delhi is booked under this head. The details of major works are as usual given in the Annexure to the Demand for Delhi Capital Outlay under the Ministry of Works, Housing and Supply.

Savings in the Revised are due to slow progress of works, shortage of buildings material like cement, steel etc., revision of estimates, want of site plans, and unexpected delays in according administrative approval.

This major head has so far been described as 'New Delhi Capital Outlay' for recording the capital expenditure on civil works in New Delhi. Similar expenditure in respect of Delhi proper and its suburbs has been booked under the head '81—Capital Account of Civil Works outside the Revenue Account'. With the enormous expansion of the Capital and its surburbs, the line of demarcation between the two Delhis has become blurred. It has, accordingly, been decided with the concurrence of the Comptroller and Auditor General that with effect from the year, 1957-58

this distinction may be removed and the scope of the head widened to accommodate all Capital expenditure on civil works at Delhi and New Delhi including their suburbs. Budget next year, accordingly, provides for the cost of works chargeable to Capital at both Delhi and New Delhi.

Multi-purpose River Schemes.—Provision is made here for the Centre's share of the capital outlay on the Damodar Valley Scheme and for the Central Water and Power Research Station, Poona. While the Revised repeats the Budget, the Centre's share for next year for the Damodar Valley Scheme is estimated at Rs. 3·61 crores. Besides, provision of Rs. 10·57 lakhs has been made, next year, for the construction of buildings at the Research Station at Poona.

Electricity Schemes.—The details of the provision are as follows:—

(In lakhs of Rupees)

	Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Electricity Supply Schemes in :			
1. Andamans	2·67	2·7	1·50
2. Tripura	10·00	5·0	10·00
3. Manipur	4·00	7·0	6·00
4. Himachal Pradesh	..	20·0	20·00
5. Kutch	60·00	19·84	..
TOTAL	76·67	54·91	37·50

Civil Works.—The provision included under this head relates to Capital expenditure on Roads and Buildings, the latter at places other than Delhi. A broad analysis of the sums provided in the revised and budget estimates is given below:—

(In lakhs of Rupees)

	Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
National Highways and other Roads	12,00·00	13,50·00	11,75·00
Construction of houses, etc., for displaced persons	—2,23·21	—1,33·21	—4,77·96
Other buildings	8,46·91	5,85·94	4,39·54
TOTAL	18,23·70	18,02·73	11,36·58

The increase in revised against National Highways and other Roads is due to accelerated progress in respect of priority works and inclusion of provision for works relating to Delhi and Himachal Pradesh.

The original budget under Construction of houses etc., for displaced person provided for a recovery of Rs. 3·9 crores as cost of Government buildings transferred to displaced persons in lieu of compensation. The revised estimate for the recovery on this account is Rs. 3 crores, whereas budget provides for a recovery of Rs. 5 crores. Corresponding debits appear under the head "Capital Outlay on compensation to Displaced Persons".

The details of the major works are, as usual, given in the Annexure to the Demand for Capital Outlay on Buildings under the Ministry of Works, Housing and Supply.

Commutation of Pensions.—As the expenditure depends on the flow of applications for commutation, it is difficult to estimate precisely in advance the requirements under this head. Provision is accordingly made on the trend of actuals and such other information as the Accounts Officers might have.

The payments are in the first instance debited to the Capital head and repaid from revenue by a system of equated payments of principal and interest spread over 15 years. The gross payments are estimated to be of the order of Rs. 53·24 lakhs this year and Rs. 43·55 lakhs next year. The recoveries on account of the equated instalments and from State Governments would amount to Rs. 84·51 lakhs this year and Rs. 74·9 lakhs next year. The net expenditure booked under this head would thus be a minus figure of Rs. 31 lakhs both in the Revised and in the next Budget.

Sterling Pensions.—The payment made to the U.K. Government for purchase of annuities for financing the Sterling Pensions under the Sterling Balances Agreement of 1948 was debited to this head. As a result of the transfer of these pensions to the U.K. Government with effect from 1st April, 1955, the repayment of annuities by the U.K. Government, creditable under this head, has ceased. The U.K. Government have, on their part, agreed to repay in 10 equal annual instalments commencing from 1st April, 1955, the outstanding balance on that date under this head less the capital value of the estimated future costs of the pensions transferred to them. Pending the completion of actuarial calculation of the capitalised value of these pensions, the amount refundable by the U.K. Government has been provisionally estimated at Rs. 52 crores leaving a balance of Rs. 120 crores under this head. It has been decided that after recovering the share due from State Governments, Commercial Departments, and the Defence Services, the balance remaining under the head should be written back to Revenue in annual equated instalments of principal and interest over a period of 30 years. The details of the recoveries provided under this head are as follows:—

(In lakhs of Rupees)

	Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Amount refundable by the U.K. Govt. after the transfer of pensions	—5,33·33	—5,33·33	—5,33·33
Share recoverable from the States	—59·09	—78·55	—59·68
Share debitable to Defence Estimates	—2,29·39	—2,29·39	—2,31·68
Share recoverable from P. & T.	—4·70	—4·70	—4·75
Amount recoverable from Railways	..	—7·76	—3·94
Amount met from Revenue (Civil)	—55·25	—47·49	—51·86
TOTAL	—8,81·76	—9,01·22	—8,85·24

Defence Capital Outlay.—Details appear in the Defence Budget. Budget provided for a gross expenditure of Rs. 28 crores. The gross expenditure is now estimated at Rs. 24·06 crores in the current year and Rs. 25 crores next year. Credit has been taken under this head for

Rs. 2·49 crores this year and Rs. 1·45 crores next year on account of realisation of sale proceeds of surplus stores and Rs. 21 lakhs this year for donations for the National Defence Academy.

Schemes of Government Trading.—This head accommodates the receipts and payments in connection with the various schemes of Government Trading, the most important of which is purchase of foodgrains. As against the next expenditure of Rs. 9·44 crores included in the Budget, the Revised estimate shows a net expenditure of Rs. 25·57 crores. The increase is due to an increase of Rs. 79·26 crores in the gross expenditure on the purchase of foodgrains both at home and abroad, but this would be partly set off by increased recoveries of Rs. 63·13 crores. Budget provides for a gross expenditure of Rs. 1,46·25 crores and recoveries of Rs. 90·81 crores on account of Purchase of Foodgrains.

No import of sugar is expected in this or the next year but revised and budget provide for Rs. 122 lakhs and Rs. 7 lakhs respectively on account of certain outstanding charges relating to past imports. Import of Iron and Steel under the Technical Co-operation Agreement will involve a net expenditure of Rs. 159·85 lakhs this year and a net recovery of Rs. 341·94 lakhs next year. Purchase of foodgrains by the Administration in the Union Territories will cost Rs. 133·73 lakhs this year against a net recovery of Rs. 29·01 lakhs in the original budget. The increase is due to the provision for former Part C States of Himachal Pradesh and Delhi. In the next year, provision for the purchases of foodgrains for these Territories has been included in the amount of Rs. 146·25 crores provided for "Purchases of Foodgrains" mentioned earlier. The Estimates also include provision of Rs. 45·01 lakhs this year and a net recovery of Rs. 28·75 lakhs next year on account of the Land Reclamation Scheme. Next year's Budget also includes net recovery of Rs. 220·99 lakhs for the scheme of production and supply of coal.

Development Grants.—The details of the provision are as follows:—

(In lakhs of Rupees)

	Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Local Works	4,26 65	4,33·22	5,03·00
Industrial Housing and Slum Clearance	3,69·62	3,06·38	1,57·58
Development Grants under Gadgil Committee's Award	79·17	71·86	3·50
National Rural Water Supply and Sanitation Schemes	79·70	79·70	1,25·00
Grants to States for roads of inter-State or economic importance	1,84·00	2,86 82	2,25·82
Grant to the Punjab Government for construction of Capital at Chandigarh	1,00·00	1,00·00	..
TOTAL	12,39·04	12,77·98	10,14·90

The expenditure on Development Grants debitable to Capital is written back to revenue over a period of 15 years. The estimates accordingly provide Rs. 195 lakhs this year and Rs. 283 lakhs next year for write-back to revenue for which a credit has been assumed under the above head. Revised includes Rs. 64 lakhs, Rs. 31 lakhs, Rs. 52 lakhs, Rs. 20 lakhs and Rs. 28 lakhs on account of such write-backs for Local Works, Industrial Housing, Gadgil Committee Award Grants, National

Rural Water Supply and Sanitation Schemes and Grants to States for roads of inter-State or economic importance, respectively. The corresponding recoveries in the Budget for these heads are Rs. 97 lakhs, Rs. 52 lakhs, Rs. 60 lakhs, Rs. 25 lakhs and Rs. 49 lakhs, respectively.

Compensation to Displaced Persons.—The current budget provided for a gross expenditure for the payment of compensation to displaced persons from West Pakistan at Rs. 32 crores against which the revised requirements are estimated at Rs. 24·5 crores only, comprising Rs. 3 crores in the form of Government property transferred as compensation, Rs. 5·5 crores against adjustment of loans and the balance of Rs. 16 crores as cash payment of compensation. Corresponding figures for the next year are assumed at Rs. 5 crores, Rs. 7 crores and Rs. 12 crores respectively, *i.e.*, Rs. 24 crores in all. The estimates include Rs. 2·5 crores in both this year and the next, as recoveries from sale proceeds, etc., of evacuee property transferred from revenue.

According to the decision taken in 1954-55, the net Capital expenditure under this head has to be written back to Revenue over a period of 15 years. Rs. 81 lakhs this year and Rs. 159 lakhs next year have been included in the Revenue Demand relating to Expenditure on Displaced Persons for which a credit has been taken under this head.

Shipping, Tankers etc.—The current budget included Rs. 1 crore for the acquisition of a Tanker and Rs. 35 lakhs for the conversion of the third survey ship. No provision is included in the revised for the purchase of a Tanker, as the Tanker will be purchased by the Western Shipping Corporation and not by Government. The expenditure on the conversion of the third survey ship is now estimated to cost Rs. 20 lakhs only in the current year. Next year's Budget provides Rs. 1·05 crores for the purchase of a steamer for the Indo-Andaman Service, Rs. 34·5 lakhs for the purchase of one new sister ship and one launch for improvement of inter-island communications and local ferry services in the Andamans, Rs. 20 lakhs for the conversion of the third survey ship and Rs. 4·25 lakhs for the purchase of boats for Laccadive, Minicoy and Amindivi islands.

Transfer of Sale proceeds of American Loan commodities.—This head is intended to accommodate the transactions relating to the assistance received from U.S.A. under the Development Assistance Programme and Public Law 480. A provision of Rs. 95·3 crores has been included in the budget of which Rs. 40·3 crores is in respect of the Development Assistance Programme and the balance of Rs. 55 crores under Public Law 480.

The commodities to be received from U.S.A. under the Development Assistance Programme would be fertiliser, iron and steel, surplus agricultural commodities (wheat and cotton), equipment for rural electrification, storage godowns, tubewell casing, equipments for malaria control, etc. The accounting procedure prescribed, requires that on receipt of the surplus commodities from U.S.A., which are treated as sold to the Government of India, payment for the rupee equivalent should be made in India to the representatives of U.S.A. Government by debit to the head "87.—Capital Outlay on Schemes of Government Trading". A part of this money is lent back to the Government of India for expenditure on approved Projects. The credit is adjusted under the head "N.—Public Debt—Development Assistance Loan from the Government of U.S.A.". The sale proceeds of the commodities when realised are credited to the major head "87" and a sum equivalent to the loan received is credited to the "Fund for the sale of American Loan Commodities" under "Special Development Fund" by *per contra* debit to the above Capital head.

The assistance received under Public Law 480 would be in the form of surplus agricultural commodities, mainly consisting of wheat, rice, cotton, tobacco and dairy products. The accounting procedure would be similar to the procedure indicated above for the Development Assistance Programme.

Other Works.—Budget includes Rs. 3·52 crores for the construction of food godowns, provision for which was made in the earlier years under the head "Schemes of Government Trading—Purchase of Foodgrains". This follows the decision taken during the year, with the concurrence of the Comptroller and Auditor General, that expenditure on the construction and acquisition of permanent assets should be recorded outside the accounts of the State Trading Schemes, but a suitable charge should be made and reflected in the accounts of the Schemes for the use of such assets.

Other Civil Heads—Broad details of the provision are given below:—

(In lakhs of Rupees)

	Budget, 1956-57	Revised, 1956-57	Budget, 1957-58
Capital Outlay on Forests . . .	33·28	17·59	18·31
Capital Outlay on India Security Press . .	4·85	2·10	7·61
Capital Outlay on Road and Water Transport Schemes	4·50	7·39	13·00
Payments to Retrenched Personnel	2·90	—·86	—·40
TOTAL . .	45·53	26 22	38·52

The provision on Capital Outlay on Forests is mainly in respect of buildings and equipment for the Forest Research Institute, Dehra Dun, development of Andaman Forests, Forestry Scheme in other Union territories and for the purchase of land for Soil Conservation Research Demonstration and Training Centre, Vasad, Bombay. The savings in the revised are mainly due to the reduced requirements of the Forest Research Institute and Andaman Forests.

Provision for Capital Outlay on India Security Press next year includes Rs. 6·36 lakhs for the construction of staff and labour quarters and Rs. 1·25 lakhs for the purchase of plant and machinery.

Roads and Water Transport Schemes include Rs. 4 lakhs this year and Rs. 4·5 lakhs next year for Manipur and Rs. 3·39 lakhs this year and Rs. 8·5 lakhs next year for Himachal Pradesh.

Discharge of Permanent Debt.—Revised includes Rs. 79·3 crores for the discharge of 3 per cent. Victory Loan, 1957, which was offered for conversion in the current year, Rs. 75·19 lakhs for expired loans, Rs. 94·88 lakhs for Railway Sterling Annuities, etc., Rs. 212·31 lakhs for repayment of the loans from the International Bank for Reconstruction and Development (Rs. 103·18 lakhs for the Railway Project Loan, Rs. 56·23 lakhs for the Agricultural Machinery Project Loan, Rs. 39·33 lakhs for Bokaro-Konar Project Loan and Rs. 13·57 lakhs for Second Damodar Valley Corporation Loan) and Rs. 62 lakhs as the first instalment of the repayment to U.S.S.R. on account of equipment for the Bhilai Steel Project received on loan.

Budget provides Rs. 31·5 crores for the discharge of the balance of 3 per cent. Victory Loan, 1957, Rs. 25 lakhs for expired loans, Rs. 61·6 lakhs for Railway Sterling Annuities, etc., Rs. 162·5 lakhs for loans from the International Bank for Reconstruction and Development (Rs. 107·31 lakhs for the Railway Project Loan, Rs. 40·95 lakhs for Bokaro-Konar Project Loan and Rs. 14·24 lakhs for Second Damodar Valley Corporation Loan), Rs. 107·81 lakhs as the first year's instalment for the repayment of the American Wheat Loan and Rs. 3·57 crores for repayment to U.S.S.R. on account of the Bhilai Steel Project.

Provision is also included under this head for Rs. 6·5 lakhs this year and Rs. 10 lakhs next year on account of the repayment of the principal portion of the 15-Year Annuity Certificates.

Inter-State Settlement.—Revised includes Rs. 6 lakhs as the Central shares for the repayment of 3½ per cent. Loan, 1956 (Travancore) discharged by the Travancore-Cochin Government this year and Rs. 301·1 lakhs on account of the Central share of the pre-integration public debt of the former State of Hyderabad. Budget includes Rs. 145 lakhs as the Central share for the repayment of 3 per cent. Loan, 1958 (Mysore), due for discharge by the Mysore Government during that year.

Advances to State Governments—Broad details of the advances are given below:—

(In lakhs of Rupees)

	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
Loans for—			
(1) Agricultural and allied Schemes	29,38	28,67	37,93
(2) Industrial Estates	1,00	1,00	1,00
(3) Development of Handloom Industry	3,20	3,00	2,76
(4) Conversion of Handloom into Powerloom	12	75	3,02
(5) Development of Small Scale Industries	2,60	2,60	3,00
(6) Development of Coir Industry	17	17	13
(7) Community Development and National Extension Schemes	14,55	8,58	9,00
(8) Students Hostels and Educational Schemes	50	45	41
(9) State Finance Corporations	20	10	..
(10) Miscellaneous Development purposes including material and equipment under Foreign Assistance Programme	49,00	49,09	48,00
(11) Construction of New State Capitals at Bhopal and Hyderabad	..	1,00	..
(12) Unforeseen Natural Calamities	4,00	5,00	5,00
(13) Scheme for sharing of Small Savings Collections	18,00	19,27	25,00
(14) Ways and Means Advances	50,00	5,50	8,50
(15) Purchase of Foodgrains by J. & K. Government	..	3,41	1,50
(16) Urban Water Supply and Drainage Scheme	3,00	3,00	5,50
(17) Police Housing Scheme	3,00	1,00	1,50
(18) Irrigation and Multipurpose River Schemes	69,54	63,58	65,01
(19) Permanent Improvement in Scarcity Affected Areas	4,00	6,00	4,00
(20) Flood Control	5,00	10,00	7,00
(21) Expansion of Power Facilities	4,00	6,20	6,20
(22) Public co-operations Schemes	5	..	5

(In lakhs of rupees)

	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
(23) Development of Silk, Khadi Handicrafts and other villages Industries	62	40	79
(24) Rehabilitation of Displaced Persons	9,53	11,97	8,21
(25) Development of Minor Ports	50	30	50
(26) Low and Middle Income Group Housing Schemes	6,00	6,07	5,00
(27) Other Industrial Housing and Slum Clearance Schemes	4,70	3,60	3,90
(28) Other Schemes	40	8	17
TOTAL—(GROSS)	2,83,06	2,40,79	2,53,08
Deduct—Amount met from Special Development and other Funds	—8,80	—8,03	—4,71
Net	2,74,26	2,32,76	2,48,37*

These loans will be met partly out of the Special Development Fund and other Funds as indicated below:—

(In lakhs of Rupees)

	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
(*i*) Special Development Fund	5,00	4,47	1,45
(*ii*) Fund for benefit of cotton Growers	40	26	30
(*iii*) Temporary Sugar Excise Fund	20	20	20
(*iv*) Fund for Development of Handloom and Khadi Industries	3,20	3,10	2,76
TOTAL	8,80	8,03	4,71

Other loans and Advances:—Broad details are given below:—

(In lakhs of Rupees)

	Budget Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
Advances to Part 'C' States	11,39	4,46	..
Advances to Foreign Govts.	15,00	15	10,13
Advances to Port Trusts	7,06	5,24	6,00
Loans to other Local Funds and Private Parties, etc.	53	4	19
Advances to Cultivators	1,01	1,04	1,62
Opium Advances	..	4	4
Rehabilitation Finance Administration	1,50	20	1,00
Loan to Re-Finance Corporation	..	..	15,00

*For the reasons explained in para. 66 of the Budget Speech this figure is more by Rs. 1 crores than the net amount shown in the Budget Resolution.

(In lakhs of Rupees)

	Budget, Estimate, 1956-57	Revised Estimate, 1956-57	Budget Estimate, 1957-58
Delhi State Electricity Board	30	30	50
Delhi Road Transport Authority	70	66	50
Displaced Persons (including Relief to Displaced persons)	1,30	1,12	76
Development of Cottage, Small Scale, Handloom and Handicrafts Industries, etc.	21	35	46
Development of Ambar charkha and Village and Khadi Industries	2,55	6,01	10,30
Loans for construction of building and hostels for Educational purposes	75	86	1,41
National Research Development Corporation	12	..	10
Private, Shipping Companies, for coastal and overseas Trade	10,50	9,58	5,60
Loans to Private Firms for Industrial Housing	80	35	40
Loans for Low and Middle Income Groups Housing Schemes	1,11	38	77
Loans to Sindri Fertiliser and Chemicals, Ltd.	3,84	3,48	1,54
Indian Telephone Industries	30	12	12
Loans to Tata Iron & Steel Co. and Indian Iron & Steel Company	5,42	5,38	3,01
Hindusthan Steel Ltd.	15,00	15,00	..
Loans to Hindustan Machine Tools, Ltd.	50	75	80
Loans to Hindustan Housing Factory	10	15	5
Debenture loan to Hindustan Cables, Ltd.	10	10	20
Debenture Loan to Hindustan Shipyard Ltd. for Dry Dock	3	3	..
Loans to Atul Products, Ltd.	75	75	50
Loans to Indian Airlines Corporation	1,50	1,00	1,10
Schemes for colonisation and resettlement of the sufferers from Japanese occupation in Andamans	16	16	11
Industrial Finance Corporation	6,00	6,00	4,00
National Industrial Development Corporation	2,01	1,49	4,50
National Small Industries Corporation	80	67	65
Life Insurance Corporation	2,00	2,00	..
National Coal Development Corporation	..	..	4,00
Loans for Community Project and National Extension Service	14	12	7
State Trading Corporation	..	7,50	2,50
Ashoka Hotels, Ltd.	..	1,50	..
Branch line Railway Companies	..	8	..
Other Loans and Advances including Loans to Govt. Servants	9,29	4,62	8,49
TOTAL	1,02,77	81,68	86,33
Less—Amount met from Special Development and other Funds	—6,77	—17,70	—19,13
Net	96,00	63,98	67,20

These loans will be met partly out of the Special Development Fund and other Funds as indicated below:—

(*i*) Special Development Fund	22	7,50	15,00
(*ii*) Fund for Development of Handloom and Khadi Industries	1,35	4,92	1,32
(*iii*) Iron and Steel Equalisation Fund	5,20	5,20	2,81
(*iv*) Railway Revenue Reserve Fund	..	8	..
TOTAL	6,77	17,70	19,13

Debt Position of the Government of India

The outstanding public debt of the Government of India is expected to amount to Rs. 28,40 crores at the end of the current year and Rs. 33,80 crores at the end of 1957-58.

A broad analysis of the debt compared with the debt at the end of 1938-39 is given below:—

(In crores of Rupees)

Particulars	As on 31st March, 1939	As on 31st March, 1957	As on 31st March, 1958
Rupee Loans :			
Current Loans	4,37·87	15,88·45	16,54·38
Treasury Bills and Ways and Means Advances	46·30	8,65·25	12,33·25
Special Floating Loan	..	2,12·60	2,12·60
Expired Loans	·65	11·33	14·35
TOTAL	4,84·82	26,77·63	31,14·58
Sterling Loans :			
Current Loans	3,96·50	·56	·53
War Contribution	20·62	20·62	20·62
Capital Portion of Railway Annuities	47·82	1·07	·48
Expired Loans	01	·02	·02
TOTAL	4,64·95	22·27	21·65
Dollar Loans	..	1,32·95	2,04·18
Loan from U. S. S. R.	..	6·83	39·26
GRANT TOTAL	9,49·67	28,39 68	33,79 67

The liability for the British war loan remains suspended while the outstanding Railway Annuities are covered by an equivalent deposit with the United Kingdom Government, who provide the necessary sterling as the payments fall due. Omitting these items, the total outstanding debt will be Rs. 28,18 crores at the end of the current year and Rs. 33,59 crores at the end of 1957-58. At the end of the Budget year, the outstanding debt other than the capital portion of Railway Annuities would, as compared with the figure at the end of 1938-39, have risen by Rs. 24,77 crores.

In addition, the Government are liable to repay the balances in the various Provident Funds, the Post Office Savings Banks, the Post Office Cash, National Savings and National Plan Certificates, the Depreciation and Reserve Funds of the Railways, Posts and Telegraphs etc. and certain other deposits, mainly relating to Excess Profits Tax and Income-tax. These balances are estimated to amount to Rs. 10,60 crores at the end of the current year and Rs. 11,74 crores at the end of 1957-58, after making a very rough allowance for Pakistan's probable share in them. Taking the regular debt and these liabilities together, the debt position of the Government of India will stand as follows:—

(In crores of Rupees).

	On 31st March, 1957	On 31st March, 1958
Regular Loans	28,39.68	33,76.67
Other Liabilities	10,60.40	11,74.18
British War loan and Railway Annuities	(—) 21.69	(—) 21.10
TOTAL	38,78.39	45,29.75

This outstanding debt may be analysed with reference to the purpose on which the money has been utilised or the assets by which it is covered. An analysis is given below:—

(In round crores of Rupees)

	As on 31st March, 1957	As on 31st March, 1958
Railways	10,73	11,97
Posts and Telegraphs and other Commercial Departments	1,50	1,72
Investment in Commercial concerns	1,36	3,22
Loans and Advances	11,87	14,47
*Purchase of annuities for sterling pensions	60	54
Subscriptions to the International Monetary Fund and World Bank	2,13	2,13
Debt due from Pakistan	3,00	3,00
Cash and other investments	50	50
TOTAL	31,69	37,55

Allowing for these, the uncovered debt will amount to Rs. 7,75 crores at the end of the budget year against the pre-war figure of Rs. 1,88 crores. The whole of this cannot, however, be called unproductive debt, for the large grants to States for development in recent years which increase the productive capacity of the country as a whole are not entirely unremunerative, and similarly, the large capital outlay on Central property, the value of which is either not shown at all in the Government's accounts or is shown as non-commercial (such as the Delhi Capital Outlay and Defence Capital Outlay) is not without value.

*See Foot Note 5 at the end.

The statement below analyses the interest bearing obligations of the Government of India and the interest yielding assets held by them.

(In crores of Rupees.)

(At the end of)

	1938-39 (pre-war year)	1956-57 Revised	1957-58 Budget
INTEREST-BEARING OBLIGATIONS :			
In India—			
PUBLIC DEBT—			
Loans	4,37.87	15,88.45	16,54.38
Treasury Bills and Ways and Means Advances	46.30	8,65.25	12,33.25
TOTAL.—PUBLIC DEBT (INDIA)	4,84.17	24,53.70	28,87.63
UNFUNDED DEBT—			
Service Funds	1.03	.30	.28
Post Office Savings Bank Deposits including Defence Savings Bank	81.88	3,26.63	3,67.63
Post Office Cash and Defence Savings Certificates	59.57	2.97	2.27
National Savings Certificates	..	2,38.12	2,61.82
National Plan Certificates	..	25.88	36.88
State Provident Funds	72.40	1,76.18	1,94.54
Ten-Year Treasury Savings Deposit Certificates	..	44.60	48.90
Other Items	10.25	14.97	15.75
TOTAL—UNFUNDED DEBT (INDIA)	2,25.13	8,29.65	9,28.07
DEPOSITS—			
Depreciation, Development and Reserve Funds	27.34	2,15.41	2,16.26
Other Deposits	..	15.34	29.85
TOTAL—DEPOSITS (INDIA)	27.34	2,30.75	2,46.11
TOTAL—OBLIGATIONS IN INDIA	7,36.64	35,14.10	40,61.81
In England—			
PUBLIC DEBT—			
Loans	3,96.50	.56	.53
War Contribution	20.62	20.62	20.62
Capital portion of Railway annuities in purchase of Railways	47.82	1.07	.48
TOTAL—PUBLIC DEBT (ENGLAND)	4,64.94	22.25	21.63

(In crores of Rupees)

(At the end of)

	1938-39 (pre-war year)	1956-57 Revised	1957-58 Budget
DOLLAR LOANS	..	1,32.95	2,04.18
LOAN FROM U. S. S. R.	..	6.83	39.26
TOTAL—INTEREST BEARING OBLIGATIONS	12,01.58*	36,76.13	43,26.88
INTEREST-YIELDING ASSETS—			
Capital advanced to Railways	7,25.24	10,72.79	11,96.96
Capital advanced to other Commercial Departments	27.42	1,50.19	1,72.28
Investment in Commercial concerns	..	1,36.04	3,21.56
Capital advanced to States	1,23 28	10,30.24	12,19.49
Other interest bearing loans	20.71	1,57.06	2,12.46
Deposits with the U. K. Government for redemption of Railway annuities	...	1.07	.48
Purchase of annuities for Sterling Pensions	..	59.50	53.57
Debt due from Pakistan	..	3,00.00	3,00.00
TOTAL—INTEREST-YIELDING ASSETS	8,96.65	29,06.89	34,76.80
Cash and Securities held on Treasury Account	30.30	50.41	50.48
Balance of total interest-bearing obligations not covered by above assets	2,74.63	7,18.83	7,99.60

*Excludes Rs. 4.18 crores on account of Service Funds (England) the liability for which has been transferred to U. K. Government along with the sterling pensions with effect from 1-4-55.

Note 1.—The outstandings at the end of each year are shown in the statement. The accounts for the year 1947-48 (pre-partition) and 1955-56 have not yet been closed finally and the figures have, therefore, been worked out on the best information available.

Note 2.—Sterling obligations have been converted into Rupees at 1*sh.* 6*d.* to the Rupee.

Note 3.—Under Unfunded Debt, Deposits and Interest-yielding assets, allowance has been made on a rough basis for the share allocable to Pakistan.

Note 4.—The figure entered for debt due from Pakistan is a very rough guess.

Note 5.—As a result of the transfer of the payment of sterling pensions to the U. K. Government with effect from 1st April, 1955, the figure against " Purchase of Annuities for sterling pensions " represents only the amount recoverable from the U. K. Government and the State Governments in India.

SECTION III

NOTES ON IMPORTANT SCHEMES

SECTION III

NOTES ON IMPORTANT SCHEMES

The notes in this section which deal largely with capital schemes, have been arranged by Ministries.

MINISTRY OF COMMERCE AND INDUSTRY

SMALL SCALE INDUSTRIES (INCLUDING INDUSTRIAL ESTATES)

The State Governments are primarily concerned with the development of Cottage and Small Scale Industries. Financial assistance is, however, given by the Centre for specific schemes to supplement the efforts of the State Governments. According to the accepted pattern of financial assistance in respect of department schemes run by the State Governments which are of a non-commercial nature, 75 per cent. of the expenditure on cost of land and building would be given as an outright grant. The Centre would also contribute 50 per cent. towards recurring expenditure on establishment and provide the entire working capital as loan. In the case of schemes of a commercial nature run by State Governments, the Centre would provide 75 per cent of the total expenditure (capital investment plus working capital) as a long term loan.

In the current financial year grants amounting to Rs. 51·92 lakhs and loans amounting to Rs. 3·29 crores have been sanctioned for schemes for the development of Small Scale Industries.

Several Community Project Areas have been selected for intensive development of small scale industries and it is expected that the demand on the Centre from State Governments for funds during 1957-58 would be very large While a provision of Rs. 60 lakhs as grants and Rs. 3 crores as loans has been made in the Revised Estimates, a total provision of Rs. 1 crore for grants and Rs. 3·4 crores for loans has been made in the Budget Estimates for 1957-58.

24 Industrial Estates for small scale industries have been sanctioned upto 1956-57. 20 such Industrial Estates would be started in different States during 1957-58.

Rs. 1 crore each have been provided in the Revised Estimates for 1956-57 and Budget Estimates for 1957-58 for giving loans for the establishment of Industrial Estates.

INSTITUTES FOR SMALL SCALE INDUSTRIES

Small Industries Service Institutes were established in pursuance of the recommendations of the Ford Foundation Planning Team on Small Scale Industries with the object of improving their technique of production and management, promoting patterns of development with reference to local resources and general demand and standarding production and products by quality control so that ultimately the small scale industries may serve as ancillaries to large scale industries.

At present there are four Regional, five Major and seven Branch institutes with 48 Extension Centres. During 1957-58, it is proposed to establish 12 more Extension Centres and convert five of the existing Branch Institutes into Major Institutes and also establish 2 more such Institutes one each at Srinagar and Jaipur. Thus by the end of the 2nd

year of the Second Plan period there will at least be one Major Institute in each State.

Provision of Rs. 25 lakhs and Rs. 45 lakhs has been made under Revised Estimates 1956-57 and Budget Estimates for 1957-58 respectively for capital outlay on equipment. In addition, there is also a provision of Rs. 22 lakhs and Rs. 18 lakhs for the same purpose in Revised Estimates and Budget Estimates respectively under Revenue.

RECRUITMENT OF FOREIGN EXPERTS FOR SMALL SCALE INDUSTRIES

Great emphasis has been laid on the development of Small Scale Industries in the 2nd Plan to provide for more opportunities of employment. With a view to assisting the Small Scale units in their rapid development, foreign experts from industrially advanced countries are being recruited to acquaint them with modern techniques of production. The expenditure on these experts is being met from the assistance given by the Ford Foundation.

TRAINING OF INDIAN TECHNICIANS IN SMALL SCALE INDUSTRIES ABROAD

To enable the Indian technicians working in small scale industries to get first-hand knowledge and practical experience in the manufacturing process of small industrial units in Western countries. it has been decided to depute a small number of such technicians every year to those countries.

SCHEME FOR THE EDUCATED UNEMPLOYED

The Study Group appointed by the Planning Commission to assess the problem of unemployment among the educated persons recommended the establishment of 33 Smale Scale Production Centre in different States, each Production Centre employing 300 people with matriculation qualification. After being trained for 9 months these persons will be employed in the Production Centres. These Centres would undertake manufacture of items which have a ready market like small machine tools, agricultural implements etc. During 1957-58, it is proposed to establish 15 such centres in different States. A provision of Rs. 40 lakhs has been made for machinery and raw materials etc. in the Budget Estimates for 1957-58.

NATIONAL SMALL INDUSTRIES CORPORATION (PRIVATE) LTD.

The National Small Industries Corporation, which was set up by the Government in February, 1955 pursuant to the recommendations of the Ford Foundation Planning Team, primarily with a view to assist small scale industries in procuring Government orders, has expanded its activities considerably since its inception. The functions of the Corporation now cover the following fields:

1. Procurement of Government contracts, primary as well as such contracts for execution by small industrial units.
2. Supply of machinery on hire-purchase basis to Small Scale units.
3. Marketing service for the products of small scale industries.

4. Construction and management of Industrial Estates at Okhla (New Delhi) and at Allahabad.

In addition to the existing 3 wholesale depots, the Corporation will open 9 more Depots in the current year, for marketing the products of small scale industries.

The Corporation is at present financed entirely by Government. In respect of some of its activities the Corporation has to function as a service agency. As it is not yet self-supporting its working expenses has to be subsidised by Government. Grants have also to be given in connection with operation intended mainly to investigate the consumer's tastes in particular localities for products of small scale Units. 3 sales vans are already in operation in the Northern Region and similar vans will be in operation in the remaining 3 Regions, thus making a total of 12 vans in all.

A subsidy will also have to be given to the Corporation to meet the deficit in the management of the Industrial Estates, as factory space has to be provided to intending Small Scale units at concessional rents in the initial stages. A provision of Rs. 12 lakhs and Rs 18 lakhs has accordingly been made in the Revised Estimates 1956-57 and Budget Estimates 1957-58 respectively.

The Scheme for supply of machinery on hire-purchase basis of Small Scale units has been very popular and in order to decentralise the work relating to this Scheme, it has been decided to float 4 subsidiary Corporations with Regional jurisdiction, having their offices at Delhi, Bombay, Calcutta and Madras. Each Subsidiary Corporation will have an authorised capital of Rs. 10 lakhs of which Rs. 2·5 lakhs will be subscribed and issued, the National Small Industries Corporation being the holding company

The latest audited commercial accounts of the Corporation relate to the year, 1955-56 and are shown in Appendix to Section III.

A provision of Rs. 67·00 lakhs in the Revised Estimates 1956-57 and Rs. 65 lakhs in the Budget Estimates 1957-58 has been made under loans for financing the various activities of the Corporation.

INDIAN STANDARDS INSTITUTION

The Indian Standards Institution was set up on the 6th January, 1947. The main objects of the Institution are to draw up and promote the general adoption of standards on national and international basis, relating to structures, commodities, materials, practices and operations, and from time to time to revise, alter and amend the same, to promote standardization, quality control and simplification in industry and commerce, to co-ordinate the efforts of producers and users for the improvement of materials, products, appliances, processes and methods; to provide for the registration of standardisation marks applicable to the products, commodities, etc., for which it issues standards.

The total number of standards issued so far by the Institution is 767. The number of standards adopted by various Government Departments so far is 669.

The expenditure of the Institution is met from the following sources:

(i) Grants-in-aid from the Government of India,

(ii) Subscriptions from members including State Governments,

(iiii) Sale proceeds of I.S.I. Publications etc., and
(iv) Other sources.

A sum of Rs. 12·80 lakhs has been provided in the Budget Estimates 1957-58.

HANDLOOM INDUSTRY

With the increasing tempo of developmental activity during the 2nd Five Year Plan, the Handloom Industry is expected to produce an additional million yards. Provision has accordingly been made for grants/loans to States, continuance of the Central Marketing Organisation, publicity and propaganda (including Handloom Weeks) etc. during the next year. A provision of Rs. 302:55 lakhs—Rs. 2·55 lakhs for grants and Rs. 300 lakhs for loans, has been made in the Revised Estimates 1956-57. The provision made in the Budget Estimates 1957-58 is Rs. 599·25 lakhs—Rs. 323 lakhs for grants and Rs. 276·25 lakhs for loans.

CONVERSION OF HANDLOOM INTO POWERLOOM

With a view to increase production to achieve the target fixed for the Handloom Industry during the 2nd Plan and to enable the weaver to increase his earnings, it has been decided to instal a limited number of powerlooms in the Handloom Sector under the co-operative fold. Assistance by way of grants and loans will be given to weavers for purchase of powerlooms, setting up of processing factories, training centres etc. and for providing working capital and share capital. A provision of Rs. 83·03 lakhs—Rs. 8 lakhs for grants and Rs. 75·03 lakhs for loans has been made under Revised Estimates 1956-57 The provision made under Budget Estimates 1957-58 is Rs. 337·75 lakhs—Rs. 36 lakhs for grants and Rs. 301·75 lakhs for loans.

COIR INDUSTRY

The Coir Industry still remains in a primative stage and a good deal of research work has yet to be done to develop this Industry on economical lines. With this end in view, the following programme has been laid down for the next year.

(i) Establishment of a Research Institute at Kalamassery and a Branch Institute at Calcutta.

(ii) Opening of two show-rooms, one each at Bombay and Madras.

(iii) Sending a delegation abroad for promotion of sales.

(iv) Participation in important Exhibitions and Trade Fairs overseas.

A provision of Rs. 7·03 lakhs in the Revised Estimates 1956-57 and Rs. 12 lakhs in the Budget Estimates 1957-58 has been made. A provision of Rs 13 lakhs has also been made in B.E. 1957-58 for giving loan to the Kerala State for development of the Coir Industry.

EXHIBITIONS AND SHOW-ROOMS ABROAD

In order to give commercial and visual publicity to exportable merchandise in important markets abroad, the Ministry of Commerce and Industry arranges participations in important fairs and exhibitions abroad. In the same connection the Ministry of Commerce and Industry also maintains permanent display of Indian merchandise in Commercial show-rooms established in certain countries abroad.

The tempo of competition in international trade during the current year, as in the past, has been increasing steadily. Countries interested in the maintenance and stimulation of their export trade, in addition to taking part in almost every international fair, have started to hold more and more of their own exhibitions in other countries. Certain Indian Missions have also advised that it would not be wise to be absent from any of the important fairs abroad. Furthermore, the country's position in regard to foreign exchange deserves urgent attention The maintenance and stimulation of the export trade is imperative and, therefore, every effort has to be made through visual and commercial publicity to bring this about. It has tentatively been decided to participate in 15 fairs during the ensuing financial year and to organize a wholly Indian exhibition in one other country.

As regards Indian commercial show-rooms abroad, because of the paucity of funds, it has not been possible to launch an elaborate scheme of opening many new show-rooms. Meanwhile efforts are being made for the maintenance of the existing show-rooms in a more efficient manner and to organise 3 or 4 new show-rooms only during the ensuing year.

A provision of Rs. 59·54 lakhs and Rs. 39·07 lakhs has been made under R.E 1956-57 and B.E. 1957-58 respectively under Revenue. Rs. 1·0 lakh have also been provided in Budget Estimates for 1957-58 as loans for this purpose.

STATE TRADING CORPORATION

The State Trading Corporation of India (Private Ltd., was set up on the 18th May, 1956 The authorised capital of the Corporation is Rupees one crore. Rupees ten lakhs have already been subscribed and paid up. The paid up capital of the Corporation will be raised to Rs. 1 crore during the current financial year Provision for an additional amount of Rs. 90 lakhs has been made in the revised estimates for 1956-57.

In addition to its hedquarters at New Delhi, there are at present three regional offices at Calcutta, Bombay and Madras

One of the principal objects of the State Trading Corporation is to augment the country's exports For this purpose the State Trading Corporation is exploring some new markets. Trading relations are being established with countries who have not thus far figured prominently in India's foreign trade. It has been found that sometimes these countries are handicapped for want of Rupee exchange while making purchases from India. Such handicaps are generally temporary resulting from the long time taken in shipment of their goods to India and occasional delays in payments being made for them. In order to ensure that the country's exports to these new markets do not suffer on account of temporary shortages of Rupee balances faced by them, it has been decided that the Corporation should grant advances to them to enable them to make payments for their purchases from India.

With this end in view a loan of Rs. 5 crores was given to the State Trading Corporation. The amount had to be raised to Rs. 7·5 crores in view of larger needs for making advances to foreign countries. It is proposed to give further loan of Rs. 2·5 crores to the Corporation during the next year Accordingly, a provision of Rs. 2·5 crores has been made in the B.E. 1957-58.

ORISSA MINING CORPORATION

The Orissa Mining Corporation (Private) Limited which is a joint venture of the Governments of India and Orissa was set up in May, 1956 with the object of raising, assembling and transporting iron ore and other minerals in Orissa for the purpose of sale or export and for undertaking all other responsibilities incidental or conducive to the attainment of the above object.

The Corporation was registered on the 16th May, 1956 with an authorised capital of Rs. 50 lakhs divided into 50,000 shares, the capital to be contributed by the two participating Governments in equal proportions. The present paid-up capital is Rs. 5 lakhs. The Corporation is expected to go into production by the beginning of next year and it will be necessary to raise the paid-up capital to the level of the authorised capital of Rs. 50 lakhs. Government of India's share being Rs. 25 lakhs. Provision has, therefore, been made in the Budget for 1957-58 for Rs. 22·5 lakhs.

INVESTMENT IN THE INDIAN EXPLOSIVES LTD.

With the development of mining in India and of the large public expenditure on water, power and irrigation works and on road building, the demand for explosives has been steadily increasing. The country's requirements are met mainly by imports which are of the order of Rs. 2 crores per annum on an average An explosives factory had, therefore, become an important factor in the national economy.

As a result of negotiations with M/s Imperial Chemicals Industries Ltd., an agreement between the Government and the firm was entered into to establish a new company to be known as "Indian Explosives Ltd " with an authorised capital of Rs. 4 crores Initially a capital of Rs. 2 crores is to be issued. M/s I.C.I. Ltd will subscribe 80 per cent. and the Government of India 20 per cent. (Rs 40 lakhs) of the present issue The balance of capital will be met by loan. A provision of Rs. 20 lakhs for R.E. 1956-57 and Rs. 10 lakhs in the B.E. 1957-58 has been made, for the purpose

LOAN TO M/S ATUL PRODUCTS LTD.

M/s. Atul Products Ltd., Ahmedabad, have made considerable progress in the manufacture of Azo and naphtha dyes. Their expansion scheme aims at increasing the range of these dyes, manufacturing vat dyes and the expansion of the production of pharmaceuticals. The resources of the Company are insufficient to undertake the proposed development quickly and left to themselves completion of the various stages of production may take a number of years. With a view to accelerate the pace of development Government decided to assist this firm by granting a loan in stages upto Rs. 3 crores.

The first instalment of the loan *viz.*, Rs. 75 lakhs was paid to the Company for this purpose on 31st March 1955. A further sum of Rs. 75 lakhs satisfied with the progress, will be paid during current financial year. Accordingly a provision of Rs. 75 lakhs and 50 lakhs has been made in R.E. 1956-57 and B.E. 1957-58 respectively.

THE NATIONAL INDUSTRIAL DEVELOPMENT CORPORATION LTD.

The National Industrial Development Corporation was set up in 1954 as a Government owned private limited company with an authorised capital of Rs. 1 crore, of which Rs. 10 lakhs have been subscribed. Its Board of Directors consists of officials and non-officials, all nominated by Government with the Minister of Commerce and Industry as the Chairman.

The main functions of the Corporation are:—

(a) To formulate and, where necessary, execute projects for setting up new industries; and

(b) To act as the agency of Government for the grant of loans for the rehabilitation and modernisation of the jute and cotton textile industries.

The Corporation has, with the help of foreign technical teams, prepared preliminary project reports for a number of new industrial units, including (a) heavy foundry and forge unit, (b) production of news print from bagasse, (c) manufacture of intermediates for dyestuffs, (d) a new unit for producing aluminium, (e) production of synthetic rubber, (f) production of alloy and tool steels, etc. The Corporation will now be engaged in the task of taking steps for the execution of such of these schemes as may be approved by Government

The finances required by the Corporation are provided by Government in the shape of grants and loans A provision of Rs. 1·49 crores and Rs. 4·50 crores has been made under R.E. 1956-57 and B E. 1957-58 respectively. The enhanced provision for 1957-58 reflects the progress made by the Corporation both in regard to new industrial projects and in granting loan assistance to the jute and cotton textile industries.

KHADI INDUSTRY

The All-India Khadi and Village Industries Board was set up in January. 1953 to advise Government *inter alia* on such measures as are considered necessary for the development of Khadi Industry, which provides subsidiary occupation to villagers and goes a long way in relieving unemployment and under-employment.

The Khadi Industry is financed out of the cess on mill-made cloth levied under the Khadi & Other Handloom Industries Development (Additional Excise Duty on Cloth) Act, 1953.

With a view to accelerating production of yarn, Government of India sanctioned the introduction of 75,000 Ambar Charkhas during 1956-57 at a cost of Rs. 170·45 lakhs. A review of the progress of the Ambar Charkha Programme has revealed satisfactory results all round and it has been decided to continue the scheme with an expanded programme of introducing additional 90,000 Charkhas during 1957-58. A total provision of Rs. 10·09 crores has been made for the Programme for 1957-58—Rs. 3·12 crores by way of grants and Rs. 6·97 crores by way of loans.

Grants of 3 annas rebate in a rupee on sale of Khadi has been continued To intensify sale of Khadi, emporia have been opened at Bombay and Delhi Besides, a number of small bhandars have been assisted or opened in various places. The next large emporium is proposed to be opened in Calcutta. It is also proposed to open emporia in capital cities of the various States.

As a result of the financial assistance given for the development of Khadi, production and sale of Khadi has shown steady improvement during the last few years, resulting in corresponding increast in employment.

A provision of Rs. 315·75 lakhs—Rs. 185 lakhs as grants and Rs. 130·75 lakhs as loans—has been made in the B.E. 1957-58.

VILLAGE INDUSTRIES

During 1956-57 the schemes regarding the development of village industries have been continued and funds have been sanctioned to the All India Khadi and Village Industries Board and State Governments on an increased basis.

Grants and loans totalling Rs. 209 lakhs and Rs. 164 lakhs respectively have been sanctioned upto December, 1956, for the development of the following village industries:

1. Hand made paper.
2. Palm gur
3. Village Oil Industry.
4. Hand-pounding of rice.
5. Cottage match.
6. Soap making with non-edible oils.
7. Fibre industry.
8. Atta Chakki.
9. Bee-keeping.
10. Pottery.
11. Village Leather.
12. Gur and Khandsari.

The scheme regarding development of the village industry on intensive basis which was introduced in 35 centres upto 1955-56 has been extended to 15 more areas during the year, 1956-57.

The Board's activities aim at preparing and organising programmes for the production and development of village industries, including training of personnel, manufacture and supply of equipment, supply of raw material, marketing and research and study of the economic problems of different village industries. Improved implements on a subsidised basis are being supplied to various co-operative societies. Subsidies for the following village industries sanctioned during the previous years have been continued on the basis indicated against them.

1. Upto Rs. 250 per ton on losses incurred by the production centres on the sale of hand made paper
2. Rs. 2-8-0 per Md. on retail sales of ghani oil.
3. Re. 0-1-0 per seer on non-edible oil used for manufacture of soap.
4. Re. 0-6-0 per Md. of paddy dehusked by hand.

During 1956-57 Government accepted the Khadi Board's proposal to sanction loans for share capital of oilmen's co-operative societies.

By the end of the First Five Year Plan the All India Khadi & Village Industries Board had completed 3 years of its working By that time Rs. 285·65 lakhs had been disbursed in the form of loans and grants for the development of the various village Industries. The Board organised a large number of Production-*cum*-demonstration centres and training centres. A little over 12,000 persons had been trained by 1955-56 in all the village industries

During 1955-56 an amount of Rs. 15 lakhs was placed at the disposal of the Board as revolving capital for purposes of conducting trading operations through their emporia and registered societies.

The Research Institute for village industries is functioning at Wardha. Expenditure proposals for its expansion are however still under detailed examination.

An expenditure amounting to Rs. 124·39 lakhs as grant and Rs. 77·73 lakhs as loans was incurred during 1955-56 on the development of village industries. The revised estimates for the year 1956-57 have been fixed at Rs. 150 lakhs as grants and Rs. 135 lakhs as loans.

The All India Khadi and Village Industries Commission is likely to be set up from 1st April 1957 and the scheme for the development of the village industries will be implemented by that commission from the next financial year.

A provision of Rs 427·5 lakhs—225 lakhs as grants and Rs. 202·5 lakhs as loans has been included in the Budget estimates for 1957-58 for the development of the village industries.

The development programmes for the next year are yet to be finalised.

CENTRAL SILK BOARD

The Central Silk Board has evolved a number of schemes designed to improve the quality and quantity of indigenous raw silk with a view to make the country self-sufficient. The Board also provides part-time employment to nearly 50 lakhs of the rural population in the sericultural areas.

The Board makes grants to the State Governments for specific schemes of research, improvement of quality of non-mulberry silk and development of sericulture industry.

The present consumption of raw silk in the country is estimated at 3 million pounds per annum against which the indigenous production is about 2·5 million pounds. The Second Five Year Plan envisages a comprehensive programme for the development of the Industry and it aims to make the country self-sufficient by the end of 1961. Total expenditure during the Second Plan period is estimated at Rs. 5 crores.

A provision of Rs. 1 crore—Rs. 50 lakhs for grants and Rs. 50 lakhs as loans—has been made in the B.E. 1957-58.

ALL INDIA HANDICRAFTS BOARD

The All India Handicrafts Board which was constituted on the 5th November, 1952, is responsible for the development of handicrafts industry. The schemes received from the States are scrutinised by the Board

and the Central Government sanction assistance on the basis of Board's recommendations. Such schemes are executed by the States themselves. The Board also executes its own schemes *e.g.*, organisation of Exhib'tions, Pilot Centres, Design Centres and Museum. In few cases the Government, on Board's recommendation, has given financial assistance direct to registered bodies. The Board does not undertake trading operations but credit facilities are provided for running of emporia by State Governments and institutions.

The Board have participated in exhibitions in and outside India.

The All India Handicrafts Board also recommends loans to various State Governments for implementation of scheme for development of handicrfats industry in those States as envisaged in the Second Five Yeai Plan.

The Second Five Year Plan assigns an important role in the production of consumer goods by decentralised units with a view to conserve available capital resources for basic industries and provide additional employment. The Planning Commission have agreed to allocate a sum of Rs. 9 crores for the purpose, exclusive of working capital which should be provided in addition. Provision has also been made in the Plan for general schemes including the strengthening of the administrative machinery of the State Governments for implementation of these schemes. It is expected to provide additional employment for a large number of people.

A provision of Rs. 100 lakhs (Rs. 66 lakhs towards grant and Rs. 34 lakhs towards loan) has been made in the budget estimates 1957-58.

HINDUSTAN INSECTICIDES LTD.

D.D.T. is an important weapon in the campaign against malaria which has been launched by the Government on countrywide scale. The Ministry of Health have estimated that at its peak the campaign will require about 8,000 tons of insecticides per annum. Thereafter for maintenance purposes the requirements will not exceed 5,000 tons per annum.

In addition to D.D.T. benzene-hexa-chloride is also being used as an insecticide in the anti-malaria campaign. It is expected that in the near future there will be a capacity for the production of about 2,000 tons of benzene-hexa-chloride in the private sector. The Government, have therefore, approved of the proposal for creating capacity for the production of approximately 3,000 tons of D.D.T. per annum.

D.D.T. Factory, Delhi was set up by the Government of India at Delhi with the technical and financial assistance of WHO (now UNTTA) and UNICEF to the extent of $ 100,000 and $ 250,000 respectively. This factory went into production on the 25th March, 1955 and has gradually stepped up the product'on of Technical DDT to the rate of 48 tons per month in October, 1956. The total production from 1st April, 1955 to 31st December, 1956 has been 664·69 tons of Technical DDT. It was expected that in 1955-56 the factory would produce at an everage rate of about 1½ ton a day and that after March, 1956 it would reach its rated capacity of production, *i.e.*, two tons per day. The target of 2 tons per day could not however, be attained due to the limitations existing in the plant for working under the conditions in India. The UNICEF propose to supply additional equipment in the expansion to make up for the deficiencies in the present plant. The contribution of the Government of India in the establishment of the factory is now estimated at Rs. 38 lakhs. The value

of plant and equipment supplied by UNICEF is estimated at Rs. 11·90 lakhs and the cost of technical assistance rendered by UNTTA is estimated at Rs. 4·76 lakhs.

In order to meet the increased demand of DDT for anti-malaria campaign the Government of India have decided to double the capacity of Delhi Plant. UNICEF have agreed to allocate $ 275,000 for the supply of additional plant and equipment and a formulating plant. The work connected with the layout and design of the expansion project was taken up early this year and completed. It is estimated that the total expenditure for the expansion would be Rs. 21·24 lakhs out of which the UNICEF aid would be to the tune of Rs. 13·09 lakhs. The rest of the expenditure on the doubling would be borne by the Government of India internally. Some of the equipment required for expansion has been received in Delhi and the balance is expected by the middle of 1957. It is expected that the doubling would be effected by the end of 1957. With this expansion the factory is expected to attain a daily production of 4 tons by the end of 1957.

The Government of India have decided to set up a second D.D.T. Factory at Alwaye with an annual capacity of 1,400 tons Technical D.D.T. Tenders for the plant were invited by the Government on a global basis and the offer of M/s. Singmaster & Breyer and M/s. Technical Enterprises Incs. of the USA has been accepted. A joint contract on a turnkey basis has been awarded to them for the complete job of setting up and commissioning of a plant with an installed capacity of 1,400 tons of technical DDT per annum at a cost of about Rs. 36·50 lakhs on a guarantee to ensure full production in a period of 18 to 23 months from the 1st August, 1956. Tenders for the formulating plant have also been invited from foreign firms. This factory will cost about Rs. 79 lakhs and is expected to be in production by the middle of the year 1958. The entire cost will be met by the Government of India.

The management and control of both the D.D.T. factories has been entrusted to a Government sponsored private limited company *viz.*, Hindustan Insecticides (P) Ltd. New Delhi. The authorised capital of the company is one crore.

The working result of the Factory for the year, 1955-56 has resulted in a nominal profit of Rs. 2,976.

To cover expenditure in connection with the expansion of the Delhi plant and setting up of the 2nd D.D.T. Factory at Alwaye, a provision of Rs. 40 lakhs has been made in the B.E. 1957-58.

HINDUSTAN ANTIBIOTICS LTD., PIMPRI

The Penicillin Factory at Pimpri has been placed under the management of a private limited Company, *viz.*, Hindustan Antibiotics Limited with effect from 1st June, 1954. The factory commenced regular production from 1st August, 1955 and its production in the year 1955-56 amounted to 6·6 million mega units and it exceeded the target of 4·8 million mega units fixed for the First Five Year Plan. The production of penicillin in the year 1956 has amounted to 14·12 million mega units and it is expected to rise still further in the ensuring year when the 60 per cent. expansion is expected to be completed.

The authorised capital of the Company is Rs. 4 crores divided into 40,000 shares of Rs. 1,000 each. A sum of Rs. 194·75 lakhs has been paid by the Government of India by way of share capital upto the end of

1955-56 including the value of assets transferred. Taking into account the value of UNICEF Plant and Machinery received upto 1955-56, for which shares have been issued and amounts paid in cash, the total share Capital stands at Rs. 2,39,75,131-9-2. A provision of Rs. 50 lakhs each has been made in the R.E. 1956-57 and B.E. 1957-58.

The working of the Hindustan Antibiotics (P) Ltd., resulted in a net loss of Rs. 8,12,899-6-7 in the year 1955-56 but this was due to very special reasons, namely, that this was the first year of production. Moreover, regular production of crude penicillin began only in August, 1955 and the Clinical Production section had a still more recent start.

DEVELOPMENT OF SALT WORKS

A provision of Rs. 40 lakhs in the B.E. 1957-58 has been made for development of the existing salt sources and will be spent on the (i) Establishment of laboratories and model farms, (ii) improvement of barine and water supply and (iii) medical and educational facilities and other amenities for staff and labourer.

During the year 1955-56, the production in Government Salt factories resulted in a net profit of Rs. 2,89,324.

SINDRI FERTILIZERS AND CHEMICALS LTD.

With a view to increase the production of Nitrogenous fertilizers in the country, it has been decided to establish the production of two new Nitrogenous fertilizers, *viz.*, Urea and Ammonium Sulphate—Nitrate in Sindri, by utilizing the entire quality of 10 million c.ft. of gas from the Coke Oven Plant. The project will cost about Rs. 11 crores in all and will result in the production of 70 tons of urea and 400 tons of ammonium sulphate—nitrate (double salt) per day, which expressed in terms of the Nitrogen content of the Fertilizers to be produced, will mean the increase in Sindri's present capacity by over 60 per cent. A contract of the value of Rs. 7 crores has been awarded to M/s. Montecantini Mialan, Italy, for supply and erection of the main plant and equipment. The Government of India have decided to advance a sum of Rs. 7 crores to Sindri Fertilizers and Chemicals Private Ltd., for implementing the scheme and the balance of Rs. 4 crores, being the cost of ancillary works, necessitated by this expansion, will be found by the company from its own resources. Work on Project is proceeding satisfactorily. The Plant is expected to be commissioned in 1958. The Government have advanced a sum of Rs. 2·58 crores to the Company during 1954-55 and 1955-56. Based on the latest schedule of payments to the contractors, the breakdown of Governmental expenditure from 1956-57 onwards will be roughly as follows:—

		Rs. (in crores)
1956-57	..	1·72
1957-58	..	1·54
1958-59	..	1·16
		4:42

NANGAL FERTILIZERS AND CHEMICALS LTD.

With a view to meet the increased demand for artificial fertilizers, the Government of India have been considering to devise plans for increasing the production of nitrogenus fertilizers in the country. Consequently,

Nangal Fertilizers and Chemicals (Private) Ltd. with an authorised capital of Rs. 30 crores has been set up for undertaking a project of Ammonium Nitrate at Nangal with an annual capacity of 70,000 tons of Nitrogen in conjunction with the production of Heavy Water.

About 1,500 acres of land required for the project has been acquired. Further 2,000 acres are being acquired. The factory will have its own associated township and community buildings.

It has been decided to appoint a firm of foreign technical consultants for the project. A detailed programme of recruitment and training of technical personnel for the factory has been drawn up in collaboration with the management of the Sindri Fertilizer Factory, where it is proposed to arrange for the training of most of the technical staff.

This is a 100 per cent. Government concern. A provision of Rs. 179 lakhs has been made in the Revised Estimate 1956-57 and Rs. 200 lakhs in the Budget Estimate 1957-58.

NATIONAL INSTRUMENTS FACTORY

The Planning Commission provided for a total expenditure of Rs. 182 lakhs for the period of the First Five Year Plan for the re-organisation of the National Instruments Factory. To start with, a scheme costing about Rs. 80 lakhs was approved in 1951. This scheme provided for erection of a new building at Jadavpur, replacement of certain machinery and procurement of new machinery. The new building is expected to be completed by March, 1957. and the shifting to the new premises is expected to be completed by the end of 1957.

A provision for Rs. 65 lakhs has been made during the Second Five Year Plan which includes a sum of Rs. 23 lakhs for the completion of the Re-organisation scheme included in the First Five Year Plan but not completed during that period, Rs. 22 lakhs for taking up new items of manufacture and Rs. 20 lakhs for the Optical glass project.

It is also proposed to construct quarters for about 50 per cent. of the employees during the 2nd Plan period.

The provision made in the Revised Estimates for 1956-57 and Budget Estimates for 1957-58 for the schemes connected with the Factory are Rs. 28·32 lakhs and Rs. 20 lakhs respectively.

The Factory produced this year (up to December 1956) instruments valued Rs. 16·37 lakhs (including the value of repairs). The sales during the year amounted to Rs. 15·54 lakhs.

HINDUSTAN CABLES LTD.

The Hindustan Cables factory which was set up to manufacture various types of telephone Cables to meet the requirements of the Indian Posts and Telegraphs Department and went into production in September 1954 has been making steady headway and showing increased production year after year. Against a target of 553 miles of armoured Cables in 1956-57, the factory has so far produced 429·890 miles upto 22nd December, 1956.

It is now proposed to take up manufacture of coaxial cables for which purpose a sum of Rs. 50 lakhs has been approved by the Planning Commission in the Second Plan.

A provision of Rs. 10 lakhs in the Revised Estimates for 1956-57 and of Rs. 20 lakhs in the Budget Estimates for 1957-58 has been made as part of the Rs. 50 lakhs allocated for the manufacture of Coaxial Cables during the Second Plan. The above amount will be given as loan. Orders for plant and machinery for the Coaxial Cable project have been placed by the Company. This is a 100 per cent. Government concern. Total investment upto 1955-56 is Rs. 164 lakhs of which Rs. 125 lakhs as share capital and Rs. 39 lakhs as Debenture Loan.

HINDUSTAN MACHINE TOOLS (P) LTD.

The factory was set up to produce initially 400 lathes of 8½" centre per annum in the first stage of production. The factory started production of components of lathes from October, 1954 and the first batch of lathes fully assembled from the components manufactured in the factory came off the production line in May, 1956. The factory is expected to meet the entire demand of the country for this lathe dispensing with the necessity for import.

During the Second Five Year Plan, the factory is to take up the manufacture of other types of machine tools also, such as, Milling Machines, Radial Drilling Machines. A provision of Rs. 2 crores has been approved by the Planning Commission for this purpose. The company is immediately going to take up the manufacture of Milling Machines 2 and 3 size, for which purpose it is going to sign an agreement with Messrs Fritz Werner of West Germany.

The control and management of the factory was transferred to a private limited Company styled as "Hindustan Machine Tools Ltd." with effect from 18th March, 1953. The total investment in the factory upto 1955-56 is Rs. 440 lakhs, of which Rs. 390 lakhs is share capital and Rs. 50 lakhs as loan granted by Government. Out of the share capital of Rs. 390 lakhs, Government share at present is Rs. 360 lakhs and the balance has been subscribed by M/S Oerlikons of Zurich, the technical consultants of the factory. It is proposed to buy the shares held by this firm, thereby terminating their financial participation in the company.

A provision of Rs. 120 lakhs (Rs. 75 lakhs for loan and Rs. 45 lakhs for share capital) has been made in Revised Estimate 1956-57 and Rs. 80 lakhs in the Budget Estimate, 1957-58.

HEAVY ELECTRICALS (PRIVATE) LTD.

In pursuance of the recommendations of the Heavy Electrical Equipment Project Enquiry Committee made in March, 1955, Government of India have decided to set up a factory at Bhopal to manufacture Heavy Electrical Equipment with the technical collaboration of M/s Associated Electrical Industries Ltd. of the U.K. This Factory is scheduled to go into production in 1960 and develop to its full capacity in the course of seven years thereafter. The Factory is scheduled to manufacture initially turbines, generators transformers, static capacitors circuit breakers, switch boards, and control desks, traction equipment, A. C. Industrial motors, insulating materials of all varieties, etc.

A Private Limited Company with an authorized capital of Rs. 30 crores, completely owned by the Government was incorporated on the 29th August, 1956 under the Indian Companies Act, 1956 to control and manage this Project. The assets and liabilities of the Government of India in respect of this project have been transferred to the Company with effect from the 1st October, 1956.

In Budget Estimates 1956-57 a provision of Rs. 36·5 lakhs was made for this Project. After the formation of the Company an amount of Rs. 24 lakhs is being made available to the Company as share capital. Expenditure during 1957-58 on this Project is estimated at Rs. 1 crore and provision for the same has been made in the Budget Estimates.

EXPORT RISKS INSURANCE CORPORATION

On the basis of the recommendations of an expert committee, appointed in 1956, it has been decided to set up an Export Risks Insurance Corporation which will be registered under the Companies Act as a Private Limited Company. All the shares of the Corporation will be owned by Government.

Export Risks Insurance is based on the principle of insurance and is intended to offer protection to the Indian exporter in respect of certain risks, commercial and political, which are not normally covered by commercial insurance companies. A large number of small and medium sized firms who have now begun to enter the export business do not command the same capital resources as the bigger and well established units. The facilities offered by Export Risks Insurance Corporation are, therefore, expected to assist exporters to develop new markets. In setting up the Export Risks Insurance Corporation to introduce a scheme of export risks insurance in India, the Government have been actuated by the desire to place the Indian exporter on even terms with exporters of other countries, who are aided by similar schemes in their countries.

It has been decided that the Corporation should have an authorised capital of Rs. 5 crores and the subscribed capital of Rs. 2½ crores. The paid-up capital will be Rs. 50 lakhs. The maximum risks which the Corporation should carry will be 10 times its subscribed capital and the reserves built up by it. A provision of Rs. 50 lakhs has been made during 1957-58 for the purchase of shares of the Corporation.

MINISTRY OF COMMUNITY DEVELOPMENT

COMMUNITY DEVELOPMENT PROGRAMME

The central object of the programme is to secure the full development of the material and human resources of rural areas. For the attainment of this object, the programme comprises intensive work for agricultural development, social education, improvement in the health of the population and introduction of skills and new occupations, so that the programme as a whole can lift the rural community to higher levels of organisation and create enthusiasm for new knowledge and new ways of life.

The development programme was launched on 2nd October, 1952 by taking up work in 55 Projects under the Indo-US Operational Agreement No. 8 on a three years basis, which was subsequently extended by one more year, without involving expenditure beyond the total provision made for the purpose. Each Project comprised roughly about 300 villages with population of about 2·90 lakhs and an area of about 450—500 square miles. The dimensions of a Development Block are one-third of those of a Project, three such Blocks making a full Project. These Projects and blocks have been spread throughout the country. The estimated ceiling expenditure on a rural Community Project of a Basic type is Rs. 65 lakhs.

In pursuance of the Operational Agreement No. 8, the U.S. Technical Co-operation Administration has agreed to make available equipment to the extent of $ 8,671,000 (or Rs. 411 lakhs). Approximately 55 per cent.

of this was expected to be given as loans to State Governments. The expenditure to be incurred by the Central and the State Governments will be on the handling, transportation and other charges relating to the equipments and on other requirements of the projects of the order of Rs. 34·38 crores and will be shared between the Centre and the States according to prescribed formula.

The Central Government's share of the cost will be Rs. 32 crores, roughly. A part of this amount which is spent on 'Self-financing Schemes' such as irrigation reclamation, etc., is paid to the State Governments in the form of loans repayable in specified periods. The amounts so recovered will be credited to the Special Development Fund, to be utilised for further projects.

A supplementary programme in furtherance of the purposes and objectives of the development programme was taken up in October, 1953, under the First Supplement to Indo-U.S. Operational Agreement No. 8. This programme comprised 53 blocks of rural development, which were located in selected areas in the different States. Each Block comprised roughly 100 Villages and a population of 66,000. The estimated ceiling expenditure on one Block was Rs. 15 lakhs.

The total estimated joint cost of these additional development Blocks is $ 1,025,000 and Rs. 7:33 crores. The dollar portion of the cost will be contributed by the U.S. Technical Co-operation Administration in the form of equipment. The rupee portion of the cost will be shared by the Government of India and the States in the same proportion as in the case of the expenditure under the main Operational Agreement. The share of the Central Government in the rupee cost is Rs. 5·75 crores.

In furtherance of the purposes and objectives of Operational Agreement No. 8 and the Supplement thereto, it was agreed to convert 400 National Extension Service Blocks into Community Development Blocks for intensive development on the basis of the Community Projects during the 1st Five Year Plan. The joint cost of these Development Blocks was estimated at $ 5,580,000 and Rs. 55:37 crores. Out of this, 152 Blocks have already been converted in the year 1955-56 and the balance 248 Blocks in the year 1956-57. 200 N.E.S. Blocks will be converted into C.D. Blocks during 1957-58. The estimated ceiling expenditure on a C.D. Block converted during the Second Plan period is Rs. 12 lakhs including the expenditure at N.E.S. stage, as against Rs. 15 lakhs per Block in respect of Blocks converted during the First Plan period. The total contribution so far agreed to by the Government of U.S.A. under the Indo-U.S. Operational Agreement in respect of Community Development Projects and Blocks amounts to $ 12,771,860.

NATIONAL EXTENSION SERVICE

In pursuance of the recommendations of the Planning Commission a National Extension Service was organised to cover about one-fourth of the country during the Plan period 1951—56. This would mean initiation of work in 1,200 Development Blocks, each block consisting of 100 villages and covering a population of about 66,000. The 55 Community Projects and the additional 53 Development Blocks taken up under the T.C.A. Programme are regarded as equivalent to 300 Development Blocks under the revised expenditure pattern of Rs. 45 lakhs per project (or 15 lakhs per Development Block). The National Extension Service Programme, therefore, envisaged the taking up of 900 Blocks during the period 1953-54 to 1955-56. The remaining three fourths of the country

will be covered by the N.E.S. during the 2nd Plan period and 3,800 N.E.S. Blocks, will, therefore, be allotted during the period 1956-57 to 1960-61. The estimated ceiling expenditure on one Block is Rs. 4·5 lakhs in respect of Blocks taken up in the 1st Plan period and Rs. 4 lakhs in respect of those started in the Second Plan period. This amount is exclusive of the short term loans to agriculturists provided through Reserve Bank of India, Co-operative Societies and State Governments which are not included in the Block budget. The Scheme was taken up on 2nd October, 1953 and the work has already started in all N.E.S. Blocks allotted upto date in order to achieve the scheduled target.

496 additional N.E.S. Blocks were allotted during 1956-57 and it is also proposed to allot about 650 blocks in 1957-58.

It is intended that, after the completion of the programme, each Development Block (of either type) will continue to retain on a permanent basis the personnel of the N.E.S. The Central Government will bear 50 per cent. of the recurring expenditure on such staff. This obligation will be subject to review after 5 years. In addition, special provision for development expenditure on the programme relating to 'Social Education' and 'Local Works' during the post-intensive phase in respect of C.D. Blocks that have completed their scheduled period of operation has been made in the Second Five Year Plan to the extent of Rs. 30,000 per block per annum (Rs. 5,000 for Social Education and Rs. 25,000 for Local Works). This will be shared between Central and State Governments in the prescribed ratio, *i.e.*, 50:50 in the case of recurring expenditure and 75 : 25 in the case of non-recurring expenditure.

The actual expenditure on the whole programme as outlined above including the N.E.S. during the 1st Five Year Plan period is Rs. 47·3 crores and the estimated expenditure during the Second Plan period is about Rs. 200 crores including spill-over from the First to the Second Plan

MINISTRY OF DEFENCE

HINDUSTAN AIRCRAFT (PRIVATE) LTD.

Hindustan Aircraft Ltd. was constituted as a Private Limited Company in December, 1940 with an authorised capital of Rs. 4 crores. The total subscribed capital of the Co. as on 31st March, 1956 is Rs. 3·8 crores. The value of shares held by the Government of India is Rs. 3·2 crores and those held by the Government of Mysore is Rs. 60 lakhs.

Hindustan Aircraft Factory entered into a stage of assembly/manufacture of aircraft in early 1950. Since then, it has undertaken the assembly/manufacture of Prentice Trainer and Vampire fighter aircraft for the Indian Air Force, under licence agreements with the manufacturers of these aircraft in the United Kingdom. The factory has designed and developed a basic trainer aircraft, the H.T. 2 for use in the I.A.F. and the Civil flying clubs.

It has now been decided to undertake the manufacture of a modern fighter aircraft at H.A.L. to replace the Vampire and also to start the manufacture of aeroengines which have hitherto been imported. To meet the growing needs of the Indian Air Force it has also been decided to expand the Design and Development Sections of the HAL.

As a subsidiary activity, the factory is manufacturing 3rd class railcoaches of model 407. In consultation with the Ministry of Railways it has been decided to switch over to the manufacture of Integral Type

rail-coaches similar to those being manufactured at the Integral Railcoach Factory at Perambur. As the manufacture of Integral Type coaches involves new techniques, collaboration with a foreign firm was considered necessary. Maschinenfabrik Augburg-Nuernberg A.G., a West German firm has been selected for the purpose and a technical assistance agreement has since been entered into by HAL with that firm. According to the programme, 500 Integral Type railcoaches will be produced at HAL during the first five years in addition to a certain number of coaches of the existing type (model 407), the production of which will gradually cease. After the end of 5 years, the capacity of the railcoach factory of HAL has been developed to produce 300 Integral Type railcoaches per year.

To finance all the above mentioned projects, the Company has decided with the approval of the Government to raise the share capital of the company from Rs. 4 crores to Rs. 18 crores. The additional capital will be provided entirely by the Government of India as the Government of Mysore, the only other shareholder of HAL, have expressed their inability to participate in the further issue of share capital.

A provision of Rs. 3 crores has been made in the Central Budget under Revised Estimates 1956-57 and Rs. 2·5 crores under Budget Estimates 1957-58, towards investment in the share capital of the company.

Audited accounts of the HAL as on 31st March 1956 are shown in the Appendix to Section III.

BHARAT ELECTRONICS (PRIVATE) LTD.

Bharat Electronics (Private) Ltd. was set up in 1954 with an authorised capital of Rs. 10 crores to produce electronics, radio, radar equipment and radio tubes and certain components. The company went into production in December, 1955.

The entire capital is subscribed by the Government of India. The authorised capital comprises of:—

(a) Investment on capital assets including payment to the French collaborating firm (excluding royalties) Rs. 7 crores.

(b) Working capital Rs. 2·5 crores.

Out of this the Government of India have to end of 1955-56 subscribed Rs. 1·88 crores.

The project covers not only production of equipment required by the Armed Services and the authorised Government Departments but also the production of certain radio components and radio tubes to meet the requirements of the country.

The current production programme includes transmitters, communication receivers and also certain equipments required for the Services. It is hoped that the radio tube factory will be set up by 1958. Depending on the requirements of the indentors and the production capacity of the Company, the value of the total output will be progressively increased.

The production of the Company is to be progressively increased, reaching from 4th year onwards, the peak output is being estimated at Rs. 4·25 crores. It has been estimated that the country's annual requirements in radio and electronic equipment are of the order of Rs. 4 crores. It is, therefore, hoped that when the peak output is reached, the import of complete equipments would be considerably reduced.

A provision of Rs. 1·56 crores under R.E. 1956-57 and Rs. 1·25 crores under B.E. 1957-58 has been made in the central budget towards investment in the share capital of the company.

Audited accounts of the Company as on 31st March 1956 appear in Appendix to Section III.

MINISTRY OF EDUCATION AND SCIENTIFIC RESEARCH

COUNCIL OF SCIENTIFIC AND INDUSTRIAL RESEARCH

Apart from continuation and expansion of its existing activities during the Second Plan Period, the Council of Scientific and Industrial Research have undertaken a programme of setting up new Institutes and Research Centres.

A provision of Rs. 2·50 crores has been made in the B.E., 1957-58 for giving grants-in-aid to the Council.

A statement showing the receipts and payments for the year 1955-56 is given below:—

Receipts	Rs. (In lakhs)	*Payments*	Rs. (In lakhs)
Opening Balance as on 1st April 1956	17·31	Amount actually spent during 1955-56	1[illegible]·43
Grants-in-aid received during 1955-56	180·30	Closing Balance as on 31st March 1956	1[illegible]·80
Receipts from other Sources	7·62		
TOTAL	205·23	TOTAL	205·23

EQUIPMENT FOR SURVEY OF INDIA UNDER FOREIGN ASSISTANCE

Expansion of survey of India has been undertaken in order to enable the Department to cope with the heavy demands for surveys placed upon it for execution of various projects included in the Second Plan and simultaneously clear the heavy arrears of departmental work accumulated during the war years. The scheme for expansion of the Department is included in the Second Five Year Plan and the expenditure likely to be incurred during the Second Plan Period is estimated at Rs. 1·40 crores.

Under the Technical Co-operation Mission Programme, the Department is expected to receive photogrammetric equipment worth about Rs. 12·30 lakhs during 1957-58. Accordingly a provision to this extent has been made in the budget estimates, 1957-58. The revised estimates for 1956-57 have been placed at Rs. 11·91 lakhs.

EQUIPMENT FOR THE GEOLOGICAL SURVEY OF INDIA UNDER FOREIGN ASSISTANCE

The Geological Survey of India is principally concerned with geological mapping and mineral exploration, investigation of ground water, examination of dam sites and other engineering aspects of Geology.

Under Operational Agreement No. 26, it is proposed to provide the Department with Geophysical, Petrological and Mineralogical equipment to assist in equipping its laboratories for work in these fields. It is further proposed to provide equipment to assist the Department in making systematic and detailed investigations and surveys to determine India's reserve of important minerals and to assist it in investigations on the benefication of low grade ore with a view to conserving rather limited supplies of high grade ore. A provision of Rs. 2·5 lakhs has been made in the budget estimates, 1957-58.

GEOPHYSICAL RESEARCH WING

It has been decided to open Geophysical Research Wing as a separate part of the Geophysical Division of the Geological Survey of India. A provision of Rs. 69·98 lakhs has been made for this purpose in the Second Five Year Plan.

The Research Wing will carry out research in the design and improvements of instruments and other techniques of interpretation of geophysical data. This will assist in the discovery and better utilisation of the mineral resources of the country.

A provision of Rs. 9 lakhs has been made in the budget estimates, 1957-58.

NATIONAL RESEARCH DEVELOPMENT CORPORATION

The National Research Development Corporation was set up on 31st December 1953 as a Government owned private Company for development of promising patents and inventions of all types. Total investments in the form of share capital so far is Rs. 10 lakhs. Government has also agreed to grant loans to the Corporation on long term basis for its various schemes.

The number of projects for setting up and working of Pilot Plants is gradually increasing. The project of Fuel Research Institute on "Coalene" involving an expenditure of Rs. 8·5 lakhs is under active scrutiny by an expert committee. The entire equipment and machines required for the Project on "de-ionization of cane juice and mechanical bamboo pulp" estimated to cost Rs. 1·5 lakhs will be purchased and set up in 1957-58.

A provision of Rs. 10 lakhs has been made in B.E. 1957-58 for loan to the Corporation.

MINISTRY OF FINANCE

INDUSTRIAL FINANCE CORPORATION OF INDIA

The Industrial Finance Corporation of India was established under the Industrial Finance Corporation Act, 1948 for the purpose of making medium and long term credits more readily available to industrial concerns in India particularly in circumstances where normal banking accommodation is inappropriate or recourse to capital issue methods is impracticable. The term 'industrial concern' as defined under the Act means any public limited company or co-operative society which is engaged or is to be engaged in the manufacture or processing of goods or in shipping or in mining or in the generation and distribution of electricity or any other form of power. The authorised capital of the Corporation is Rs. 10 crores and the issued and paid-up capital Rs. 5

crores. The Central Government and the Reserve Bank have each subscribed Rs. 1 crore to the share capital of the Corporation. The shares of the Corporation are guaranteed by the Central Government as to the repayment of the principal and the payment of the annual dividend at such minimum rate as may be fixed by the Central Government. The rate fixed by the Central Government is 2¼ per cent. per annum. The general superintendence and direction of the affairs and business of the Corporation is vested in the Board of Directors, which in the discharge of its functions is guided by such instructions on questions of policy as may be given by the Central Government. The Central Government is empowered to nominate four Directors on the Board and also to appoint the Chairman, who is the Chief Executive.

In terms of Section 21(4) of the Industrial Finance Corporation Act, 1948, the total borrowings of the Corporation are limited to five times the amount of its paid-up capital and reserve fund which aggregate to Rs. 5·23 crores. The Corporation can, therefore, borrow upto Rs. 26·15 crores. Having already borrowed approximately Rs. 11 crores, the Corporation could further borrow upto a limit of Rs. 15 crores. A provision of Rs. 13·5 crores has been made in the Second Five Year Plan as loans to the Corporation by the Central Government under Section 21(4) of the Industrial Finance Corporation Act, 1948. During the current year the Corporation has been sanctioned loans aggregating Rs. 6 crores. As on 30th November, 1956, the total amount of loans sanctioned by the Corporation amounted to Rs. 48·05 crores and the amounts disbursed amounted to Rs. 20·67 crores. In view of the increasing tempo of industrial development envisaged under the Second Five Year Plan, the activities of the Corporation are increasing rapidly. Apart from its effective commitments on loans to the tune of about Rs. 21 crores, it has pending applications for loans for Rs. 9·7 crores. The Corporation will have to depend mainly on the Central Government for borrowings under Section 21 (4) of the Act. A provision of Rs. 4 crores has accordingly been included in the budget estimates for grant of loans to the Corporation during 1957-58.

REHABILITATION FINANCE ADMINISTRATION

The Rehabilitation Finance Administration has been set up under the Rehabilitation Finance Administration Act, 1948 with a view to provide financial assistance on reasonable terms to displaced persons to enable them to settle in business or industry. The Administration consists of one Chairman, who is the Chief Administrator, four officials and four non-officials.

The Central Government can from time to time advance money to the Administration upto Rs. 12·5 crores for the purpose of enabling the Administration to advance loans. So far, the Administration has been granted advances aggregating to Rs. 10·13 crores. The loans granted to the Administration are repayable with interest at 3% per annum.

Upto the end of December, 1956, the Administration has sanctioned loans in 15,892 cases for a total sum of Rs. 12·37 crores. The total loans actually advanced by the Administration to the displaced persons till 30th November, 1956 amounted to Rs. 10·37 crores approximately. The Administration had 13,034 applications pending disposal at the close of the year.

A sum of Rs. 1 crore has been provided in the Budget Estimates, 1957-58.

PURCHASE OF SHARES BY THE DELHI ADMINISTRATION OF JOINT STATE FINANCIAL CORPORATION FOR PUNJAB AND DELHI.

The Delhi Administration (formerly Delhi State Government) came up in 1953 with a proposal for setting up a State Financial Corporation for Delhi area under the State Financial Corporation Act, 1951. In view of the small area comprising the Delhi Administration (formerly Delhi State), it was felt that a separate State Financial Corporation for Delhi would not be economical. The State Administration (formerly State Government) was, therefore, advised to consider setting up a joint financial corporation with Punjab State. The State Financial Corporation Act, 1951 was amended recently to provide *inter alia* for setting up of Joint Financial Corporations by two or more States. The Delhi Administration has now decided to join the Punjab State and existing Punjab Financial Corporation will be converted into a joint Financial Corporation for Punjab and Delhi. The Delhi Administration will be required to subscribe Rs. 16 lakhs towards the share capital of the proposed Joint Financial Corporation for which provision has been made in the Budget Estimates for 1957-58.

FOREIGN AID

T.C.A. Programme

1. *River Valley & Irrigation Projects.*—The Operational Agreement No. 11 undertakes to provide equipment and supplies to assist in the construction of the dams, irrigation canals and power plants to a number of river valley projects like Chambal, Hirakud, Ghataprabha, Mahi, etc. A total allocation of about $9 million (Rs. 4 crores approximately) has been made and equipment to the extent of Rs. 3·8 crores approximately is expected to be received upto 1956-57. Equipment of the value of Rs. 2 lakhs is expected to be received during the ensuing year. The cost of the equipment is being treated as loan to the State Government. A provision of Rs. 2 lakhs has been made in the Budget Estimates 1957-58.

2. *Project for Rihand Valley Development.*—The development of water resources of the Rihand River for the industrial and agricultural development of a part of Uttar Pradesh is aimed at under Operational Agreement No. 20. The U.S. contribution under the Agreement includes both economic and technical assistance funds. Out of the U.S. Contribution of $6·4 million (Rs. 3 crores approximately) equipment of the value of Rs. 2·5 crores is expected to be received upto 1956-57 and equipment of the value of Rs. 25 lakhs may be received in the ensuing year. The cost of the equipment is being treated as loan to the State Government. A provision of Rs. 25 lakhs has been made in the Budget Estimates 1957-58.

3. *Project for expansion of Rajasthan Power Facilities.*—The Operational Agreement No. 23 aims at meeting the shortage of power facilities in Rajasthan. Most of the existing generating units have outlived their usefulness and are subject to frequent breakdown and have become uneconomical to operate. Equipment will, therefore, be obtained under the Agreement to renovate and augment the thermal stations in Rajasthan and to extend transmission and distribution lines and a total of 20,000 kw of generating capacity will be installed. A sum of $1,065,000 has been provided under the Agreement for the procurement of plants, equipment and supplies and services required for the project. The equipment of the value of Rs. 12 lakhs and Rs. 38 lakhs is expected to be received during the current and the ensuing years respectively and

would be adjusted against loan to the State Government. A provision of Rs. 38 lakhs has been made for the purpose in the Budget Estimates 1957-58.

Colombo Plan

(i) *Mayurakshi Project.*

(ii) *Umtru Project.*

Both these hydro-electric projects are being assisted by Canada under the Colombo Plan. The Canadian Government has agreed to supply equipment to the extent of $3 million and $1·2 million for these projects respectively. Equipment to the extent of Rs. 84·55 lakhs and Rs. 17·10 lakhs respectively, has been received upto 1955-56 and anticipated to be received during the current year. The equipment of the value of Rs. 2·20 lakhs will be received during the ensuing year The cost of the equipment is being treated as loans to the State Governments on the basis of international market price. A provision of Rs. 2·20 lakhs has been made in the Budget Estimates 1957-58.

(iii) *Rail cars and wagons.*

The Government of Australia have agreed to supply rolling stock urgently needed for the rehabilitation of Indian Railways. The Australian Government is supplying 2,000 wagons and 24 diesel railcars. The material of the value of Rs. 68·25 lakhs and Rs. 2·51 crores is expected to be received during the current and the ensuing years respectively. The cost of the wagons etc. on the basis of the international market prices would be recovered from the Ministry of Railways. A provision of Rs. 2·51 crores has been made in the Budget Estimates 1957-58.

(iv) *Raw Materials.*

To meet the urgent requirements of the cable and wire industry in India, the Canadian Government allocated $5 million for the supply of raw copper and aluminium under the Colombo Plan. The raw materials are being imported for the indigenous manufacturers. During the period 1954-56 the imports amounted to Rs. 1,42·29 lakhs roundly. The expected receipts during the current and the ensuing years are placed at Rs. 77 lakhs and Rs. 20 lakhs respectively. The cost of the raw materials is being recovered in cash from the Trade in India.

RE-FINANCE CORPORATION

The Agricultural Commodities Agreement between the Governments of U.S.A. and India (P.L. 480) of August 1956 provided that out of the total loan to be advanced by that Government, a sum not less than $55 million will be reloaned by the Government of India to private enterprise through established banking facilities under procedure to be agreed upon between the two Governments. The Reserve Bank of India have agreed in co-operation with the State Bank of India, the Life Insurance Corporation and certain leading Joint Stock Banks in the country to form a private limited company called "The Re-Finance Corporation" for trading loans and the Government of the U.S.A. have agreed that a sum of about Rs. 26 crores (equivalent to $55 million) made available through the above agreement might be paid to the proposed Corporation for re-lending to private enterprises. It is estimated that during 1957-58 a sum

of Rs. 15 crores would be advanced to this Corporation and necessary provision has been made accordingly. The loan is to be met out of the Special Development Fund and as such withdrawal of an equivalent amount has been assumed from that Fund.

MINISTRY OF FOOD AND AGRICULTURE

CENTRAL TRACTOR ORGANISATION

With a view to achieving self-sufficiency in foodgrains the Government of India, as a part of the Grow More Food Schemes, decided to undertake reclamation of waste lands by means of heavy tractors The Central Tractor Organisation which was set up for the purpose started its work from the year, 1947-48 with about 100 old tractors taken over from the U.S. Army Disposals and reclaimed an area of 1,96,991 acres of land in the former States of Madhya Pradesh, Madhya Bharat, Bhopal, Uttar Pradesh and Punjab, upto 1950-51 season. These old tractors were then withdrawn as they had outlived their useful life.

Encouraged by the success achieved with the old tractors, the Government obtained a loan of 10 million dollars from the International Bank for Reconstruction and Development and purchased a total of 270 tractors with the auxiliary equipment for a bigger programme of reclamation and jungle clearance. The amount of the loan actually drawn was 7·2 million dollars (Rs. 3,42 lakhs approximately).

The Central Tractor Organisation has since its inception reclaimed a total area of 14·9 lakh acres of 'kans'-infested land and 51,000 acres of jungle land in the former States of Madhya Pradesh, Punjab, Uttar Pradesh and Assam upto the season 1955-56.

At a conservative estimate the reclamation work done by the C.T.O. so far has added to the food resources of the country by about 2·33 lakh tons per year.

The latest audited commercial accounts of the Organisation relate to the year 1954-55 and are as shown in Appendix to Section III.

A sum of Rs. 1·18 crores in the Revised Estimates, 1956-57 and Rs. 85 lakhs in the Budget Estimates, 1957-58 has been provided for the Scheme.

TUBE-WELL PROJECTS

Under the Technical Co-operation Mission Tube-well Projects, 1952 and 1953, 2,650 Production tube-wells and 350 exploratory tube-wells were scheduled to be constructed. 2,645 Production tube-wells were drilled 2,618 tube-wells developed and 2,549 tube-wells completed with pump sets in the States of U.P., Bihar and Punjab upto end of November, 1956. The Production tube-wells, when completed, will irrigate 10·6 lakh acres and will bring about additional production of 1·39 lakh tons annually. Total estimated expenditure on 2,650 tube-wells will be Rs. 18,01·85 lakhs. Against this Rs. 17,39·50 lakhs were actually incurred upto end of 1955-56. The State Governments concerned incur the expenditure and are assisted by loans from the Centre subject to monetary ceiling fixed for each project for each State. The 350 exploratory tube-wells will be sunk in 16 areas in different parts of the country with a view to obtaining suitable hydrological and geological data for sound development of ground water resources in hitherto unexplored regions Till the end of November, 1956, 42 exploratory bores have been drilled out of which 19 have proved successful. All the successful wells will be converted into production wells and transferred to the respective State Governments. Total expenditure on 350 exploratory tube-wells is estimated at Rs. 391·13 lakhs.

Against this Rs. 82·80 lakhs were incurred upto end of 1955-56. The cost of the completed wells will be treated as loans to the State Governments.

Under the 1954 Tube-well Project, 700 tube-wells are being constructed at an estimated cost of Rs. 4·2 crores in the States of U.P. and Punjab. Rs. 193·56 lakhs were spent on this project upto the end of 1955-56. Upto end of November, 1956, 554 wells were drilled, 510 developed and 409 completed with pump sets. When completed these 700 tube-wells are expected to irrigate about 2·80 lakh acres of land and bring about additional production of 42,000 tons annually.

Under the 1955 Project for Water Resources and Minor Irrigation, a comprehensive survey of the minor irrigation and ground water resources of selected areas which now form part of the new Bombay State was undertaken. The Project envisages detailed hydrological and other investigations with a view to having complete data for formulating schemes of minor irrigation. The total expenditure is estimated at Rs 47 lakhs.

PURCHASE OF FERTILIZERS

The Central Government is running a State Trading Scheme for the purchase and distribution of chemical fertilisers with a view to popularising their use and making them available to the cultivators at reasonable rates in the interest of maximising agricultural production. The requirements of the State Governments are consolidated and procurement and distribution planned accordingly. Of the chemical fertilisers, sulphate of ammonia is the most popular and largely used by the cultivators.

The country's requirements of sulphate of ammonia during 1957-58 are estimated at 6·37 lakh tons. The indigenous production is estimated at 3·96 lakh tons. It is, therefore, proposed to import 2·41 lakh tons of sulphate of ammonia valued at Rs. 7·35 crores during 1957-58.

During the next year a quantity of 57,000 tons of the new fertilisers *viz.*, urea and ammonia sulphate nitrate will also be imported in order to test and demonstrate their utility on Indian soil. These fertilisers are expected to be produced in India in the public sector during the Second Plan period. The expenditure on these fertilisers is estimated at Rs. 3·19 crores.

The fertilisers are sold to the State Governments, etc. at a uniform price which includes an element of equalised railway freight. The Pool bears the actual freight upto rail head destination. Provision for Rs. 1·53 crores has been made in the next year's budget to meet the inland railway freight charges. A lump sum provision of Rs. 85·90 lakhs has also been made in the Budget to meet expenditure on delayed shipments scheduled for dilivery in 1956-57 but likely to be received in 1957-58 due to closure of the Suez Canal. A provision of Rs. 22·67 crores has been made in the Revised Estimates, 1956-57.

As a result of the working of this Scheme, a net profit of Rs. 8·76 lakhs had accrued to Government during 1955-56.

DELHI MILK SUPPLY SCHEME

In order to bring about improvement in the milk supply position of Delhi, a scheme has been undertaken under the Second Five Year Plan. About 7,000 mds. of milk is proposed to be handled daily. Under this

scheme, a colony will be established on the outskirts of the city for about 2,000 milch cattle, procurement of milk will be organised from villages in the territory of Delhi as also from 'milk pockets' in the adjoining States of U.P. and Punjab. A dairy will be set up in the city for the pasteurisation and bottling of milk and the work of distribution of milk to the public will be organised through and about 1,000 sales depots located in different quarters of the city.

The Scheme will be administered through a statutory Milk Board. Pending the creation of such a Board the work is being done by an *ad hoc* Milk Board. The capital expenditure of the scheme has been estimated at Rs. 327·96 lakhs. In addition, a sum of Rs. 10 lakhs as revolving capital will be needed to meet the recurring cost. The entire plant and machinery required for the dairy is expected to be provided by the New Zealand Government under the Colombo Plan.

The work of preparing detailed plans and estimates is in progress. Data relating to availability of milk in different areas are being gathered. Preliminary work regarding acquisition of land and procurement of dairy and agricultural equipment is in hand. A provision of Rs. 312 lakhs on capital account excluding provision for works has been made in the Revised Estimates, 1956-57 and Rs. 90 lakhs in the Budget Estimates, 1957-58.

NATIONAL CO-OPERATIVE DEVELOPMENT AND WAREHOUSING BOARD

The National Co-operative Development and Warehousing Board was established on the 1st September, 1956, under the Agricultural Produce (Development and Warehousing) Co-operation Act, 1956 which came into force with effect from 1st August, 1956.

The Central Warehousing Co-operation is also to be set up shortly with reference to Section 17(1) of the Act which would acquire and build godowns and warehouse at suitable places and run them for storage of agricultural produce, seeds, manures, fertilizers and agricultural implements.

The functions of the Board shall be to plan and promote programmes for the production, processing, marketing, storage, warehousing, export and import of agricultural produce through a co-operative society or a warehousing corporation. It will (i) advance loans or grant subsidies to State Governments for financing co-operative societies, (ii) provide funds to a State Government or a Warehousing Corporation for financing co-operative societies for the purchase of agricultural produce on behalf of the Central Government and (iii) subscribe to the share capital of the Central Warehousing Corporation or advance loans or grant subsidies to that Corporation or any State Warehousing Corporation.

The Board is required to give assistance to the State Governments in the shape of loans during 1957-58 for subscribing to the share capital of co-operative marketing societies and for construction of godowns by the marketing societies and large sized societies. Subsidies will also be sanctioned for construction of godowns by large sized societies, marketing societies and for their managerial staff and towards strengthening of the departmental staff by the State Governments. Financial assistance would be available to the co-operative sugar factories and other processing societies that are to be set up during 1957-58. Experiments on co-operative farming are also aimed at on a larger scale during 1957-58, which may be eligible for loan and subsidy assistance from the Board.

A sum of Rs. 2 crores has been provided under Revised Estimates, 1956-57 and Rs. 1 crore under Budget Estimates, 1957-58. Besides, a provision of Rs. 2 crores has been made for loans.

SUGAR AND SUGARCANE RESEARCH INSTITUTES

The administrative control of the Indian Institute of Sugar Technology, Kanpur and the Indian Institute of Sugarcane Research, Lucknow, was taken over by the Government of India from the Indian Central Sugarcane Committee in January, 1954.

A scheme for expansion of the Sugarcane Research Institute is under consideration of an Expert Committee. An *ad hoc* provision of Rs. 8 lakhs has been made in the Budget Estimates, 1957-58 for purchase of equipment.

In order to meet the expanding requirements of the Sugar Industry, a provision of Rs. 7 lakhs has been made under the Second Five Year Plan for the Institute of Sugar Technology, Kanpur to enable it to purchase special laboratory equipment and for modernising the existing Experimental Sugar Factory.

SUGARCANE DEVELOPMENT SCHEME

A scheme for intensive development of sugarcane cultivation which was included in the First Five Year Plan is to be continued under the 2nd Plan with the object of developing the entire area under sugarcane by 1960-61. A total sum of Rs. 5 crores has been accepted for the scheme during the 2nd Plan period for grant of loans and subsidies to State Governments according to the accepted pattern of financial assistance. A provision of Rs. 20 lakhs for loans has been made in the Budget Estimates, 1957-58.

SUGARCANE BREEDING INSTITUTE, COIMBATORE

The Sugarcane Breeding Institute, Coimbatore is engaged in evolving new varieties of Sugarcane resistant to pests and diseases and with higher sucrose context. An Expert Committee has been set up to examine a scheme for modernising and expansion of this Institute during the 2nd Plan period. A provision of Rs. 1 lakh has been made in the Budget Estimates, 1957-58.

MINISTRY OF HEALTH

NATIONAL MALARIA CONTROL PROGRAMME

The Second Five Year Plan includes provision for a National Malaria Control Scheme at a cost of Rs. 27 crores out of which the Central Government share of cost is Rs. 14 crores and that of States is Rs. 13 crores. The scheme was started during 1953-54 in the First Five Year Plan period and was designed to provide a Malaria Control Programme for India on a nationwide basis so as to protect a population of about 125 million residing in malarious parts.

By the end of current financial year a total number of 200 malaria control units are expected to be in operation which will cover the entire population at risk. The original aim was to bring malaria under control but now emphasis is being laid on its eradication in view of the recently reported phenomenon of resistance to certain residual insecticides used for Malaria control.

The measures contemplated are residual indoor spraying of houses with D.D.T. and the treatment of malaria cases in order to reduce the reservoirs of infection. During the period of the scheme, the Technical Co-operation Administration are providing assistance in the form of D.D.T. equipment and transport which are being received by the Government of India and supplied to the participating States free of cost. The Government of India are, in addition, incurring expenditure on customs duty and on free supply of anti-malaria drugs, as well as D.D.T. which is being produced in the Government D.D.T. factory. The State Governments have appointed the necessary staff and are carrying out the scheme under the over-all guidance of the Malaria Institute of India, Delhi.

A provision of Rs. 3·45 crores for the programme has been made in the B.E., 1957-58.

NATIONAL FILARIA CONTROL PROGRAMME

The Second Five Year Plan includes a provision for National Filaria Control Programme at a cost of Rs. 9·31 crores including the States' share of expenditure of Rs. 3·31 crores. The programme was started during 1954-55 in the First Five Year Plan period. 13 Filaria Control Units and 22 Survey Units were established during the last two years of the First Five Year Plan. In the Second Five Year Plan it is proposed to establish 65 additional control Units which will carry out the programme in various parts of India to provide protection to nearly all the persons living in endemic areas. During 1956-57, 12 Control Units have been allotted to the various participating States and allotment of 8 more units is in the process of finalisation.

T.C.A. assistance in the shape of Diethylcarbamazine tablets, transport, sprayers, microscopes and insecticides are being made available free of cost to the States. Larvicides and Stirrup pumps are also being supplied free of cost by the Government of India. The remaining expenditure on the implementation of the programme, namely, the operational cost, salaries of staff, etc. is being borne entirely by the State Governments.

A provision of Rs. 1·11 crores has been made for the programme during 1957-58.

NATIONAL WATER SUPPLY AND SANITATION PROGRAMME

The National Water Supply and Sanitation Programme was started during the First Five Year Plan period in August-September, 1954 with a view to helping the State Governments in arranging for better drainage and protected water supply in the States. The assistance given by the Central Government is in the form of 100 per cent. loan in the case of approved Urban Schemes and 50 per cent. grant-in-aid in the case of approved Rural Schemes. The Programme is being continued in the Second Five Year Plan period.

URBAN SCHEMES

During the First Five Year Plan period a sum of Rs. 12·9 crores was allocated to States against 255 approved schemes costing Rs. 45·04 crores and a sum of Rs. 8·29 crores was paid to them.

During the Second Five Year Plan period a provision of Rs. 63 crores (Rs. 40 crores under the central plan and Rs. 23 crores under the State Plan) has been provided.

The loans granted to State Governments for the Urban schemes are repayable in instalments over a period of 30 years but they can pass them

on to the local bodies by whom the water supply and drainage schemes are implemented. A provision of Rs. 5:5 crores has been included as loans for this purpose in the budget estimate for 1957-58.

RURAL SCHEMES

During the First Five Year Plan period a sum of Rs. 5·8 crores was allocated against approved schemes costing Rs. 13·25 crores and a sum of Rs. 2·8 crores was paid as grant-in-aid to the States.

Under the Indo-U.S. Operational Agreement No. 25, a sum of $1:525 million in addition to $4·9 million which was made available in the First Plan period, has been offered by the U.S. Government for the purchase and transport to India of equipment and material required for the National Water Supply and Sanitation programme for the year, 1956-57, and necessary arrangements are being made to obtain the equipment and material from abroad.

MEDICAL STORES DEPOTS

The Medical Stores Organisation has been in existence for the last fifty-two years. It was under the control of the Army Authorities till 31st May 1943 after which date it was transferred to the late Department of Education, Health and Lands.

This organisation consists of four Medical Stores Depots at Madras, Bombay, Calcutta and Karnal. At each of the Medical Store Depots at Madras and Bombay there is a factory attached for the manufacture of drugs, tinctures, tablets etc. The Medical Store Depots supply drugs, instruments, appliances, sundries etc. (human and veterinary) of uniform quality and pattern at cheap rates to medical institutions in India which are enrolled as indentors. Apart from this, these Medical Store Depots play an important part in meeting special demands for medical stores in connection with relief measures necessitated by floods, famine, earthquakes and other calamities. The number of indentors at present is about 7,000.

The Medical Stores Organisation has, after coming under the control of the civil authorities on 1st June 1943, made a profit of Rs. 1·9 crores upto the 31st March, 1955. This does not, however, represent true profits as it is mainly the result of an increase in the value of stocks and assets and is not an income realised from sales alone. The policy of Government is to run the Medical Store Depots on a 'no profit no loss basis'. A departmental charge of 20 per cent. is levied on all issues from the Depots to indentors to cover the overhead expenditure.

A provision of Rs. 1·76 crores exists in the budget grant for 1956-57 and a provision of Rs. 1·7 crores has been included in the budget estimates for 1957-58. Against, this, the recoveries anticipated are Rs. 1·83 crores in 1956-57 and Rs. 1·88 crores in 1957-58.

CINCHONA CULTIVATION

Before the war, India imported large quantities of quinine every year. After the fall of Java in 1943, imports from that source suddenly stopped. It then became necessary for Government not only to make purchases of quinine substitutes from U.K. and U.S.A. but also to explore means of augmenting quinine supplies as quickly as possible in the country. Stepping up the indigenous production with this end in view the Government of India in collaboration with the Governments of West Bengal

and Madras, therefore, undertook a scheme of cinchona cultivation by a special method which would make it possible to produce quinine within three years, although at a comparatively high cost, as against the normal period of about 12 years. The Governments of Madras and West Bengal undertook to provide the services of their permanent Technical Staff and such other facilities as did not involve any extra expenditure to them. The areas planted under the scheme in Bengal and Madras were 961 and 3,703 acres respectively. Further planting under the scheme was discontinued in Bengal and Madras from 1946 and 1947 respectively.

The scheme was started essentially as an insurance against the grave anticipated shortage of the vital drug during war-time. The war, however, ended earlier than anticipated and the quinine situation eased with the end of the war. It was, therefore, decided to allow the plants in Madras to remain for a period 10 years instead of 3 years as originally contemplated so as to get a much larger yield of quinine from the plants. In West Bengal, however, the scheme proved a failure as the plantation could not be worked satisfactorily and the harvesting has been completed there. It would financially be unsound at this stage to wind up the scheme which has to be continued until all the plants in Madras have been harvested and processed for obtaining quinine salts.

The expenditure incurred on the scheme so far *i.e.*, upto 1954-55 was about Rs. 1·04 crores as payments to Madras and West Bengal Governments who have managed the plantations on behalf of the Government of India. Against this expenditure, only a small amount of about Rs. 14,000 has been recovered by the sale of cinchona bark in West Bengal. There is at present a stock of about 242 lakh pounds of cinchona bark obtained from the harvest in West Bengal. In view of the poor demand for the bark in the market, the same is being processed into quinine salts. Harvesting of the plants in Madras is still in progress and it will take another 2 or 3 years to complete the conversion of the bark into quinine. The financial results of the scheme as a whole will be known only thereafter in the light of the then prevailing price of quinine and the demand for it. It is expected that the entire work of the extraction of bark on Government of India account will be completed and the Russian method scheme completely closed down within the next 3 or 4 years.

A provision of Rs. 6·02 lakhs has been included in the budget estimates for 1957-58.

ESTABLISHMENTS OF DENTAL CLINICS IN DISTRICT HOSPITALS

For providing adequate dental care to the population at the hand of trained qualified Dental Surgeons in the country, a scheme for the establishment of Dental clinics in district hospitals has been included in the Second Five Year Plan with a provision of Rs. 151 lakhs. The scheme envisages the establishment of 350 dental clinics. Sanction to the establishment of 24 dental clinics in 1956-57 in the various States has been accorded. A Central subsidy of Rs. 15,000 (non-recurring) and Rs. 6,600 (recurring) per annum during the Plan period is to be given under the scheme for each dental clinic.

ALL-INDIA INSTITUTE OF MEDICAL SCIENCES

The All India Institute of Medical Sciences, New Delhi which is an institution of national importance was established on the 15th November, 1956 as an autonomous statutory body with the Union Minister for

Health, as the President and 16 other members including three representatives of both Houses of Parliament. When fully established it will consist of a Medical College, a Dental College, a Nursing College, a Post-graduate teaching Centre, a 650-bedded hospital and Rural and Urban Organisations to provide centres for field work. It is intended that it should set up high standards in medical education, to serve as a model to the rest of the country as well as promote the output on medical graduates who will develop in large number of cases into leaders of the profession and teachers for manning the different medical colleges in India.

The undergraduate course for medical education was started on the 25th September, 1956 with 50 students. A post-graduates training course in Orthopaedics was started on the 16th April, 1956 with two students. Post-graduate courses in other Departments of Medicine and Surgery will be undertaken as soon as accommodation in the main building becomes available. The construction of the buildings of the College of Nursing, two students' hostels and a large number of residential quarters for the staff have been completed. It is expected that the entire building programme will be completed by 1960.

A provision of Rs. 4·74 crores *i.e.*, Rs. 3·61 crores non-recurring and Rs. 1·13 crores recurring has been included in the Second Five Year Plan.

The Government of New Zealand had offered assistance under the Colombo Plan to the extent of one million pounds for the establishment of this Institute and out of this £600,000 have been paid by that Government.

MINISTRY OF HOME AFFAIRS

INDIA-ANDAMAN SERVICE

Communication between the Andaman and Nicobar Islands and main-land of India is at present being maintained with one passenger-*cum*-cargo vessel. Previously Government of India had a chartered vessel, which was withdrawn from the service on the expiry of its charter which was not extended beyond November, 1956 as the ship had become unseaworthy. It was decided that Government should acquire a new ship and orders were placed on the Eastern Shipping Corporation for a ship. The construction of the new ship is expected to be completed shortly. In the meantime, the development plans for the Andamans are making rapid progress. Plans are afoot to improve the exploitation of timber resources of the Islands. For this and other reasons, the Government of India have for some time felt that there should be two steamers running on this line so that there might be at least a weekly service to the Islands from mainland. It was, therefore, decided to purchase a second hand vessel for immediate use and also to purchase the new vessel under construction in Hindustan Shipyard. Provision has been made in the Budget Estimate 1957-58 for Rs. 1·4 crores to meet the cost of the ship.

POLICE HOUSING SCHEME

At the Home Ministers' Conference held in January, 1955 a suggestion was made by most of the Home Ministers of the States that the Central Government should help the States with financial assistance to enable

them to provide housing accommodation to Police personnel. The reasons advanced in support of the suggestion were as follows:

(i) The Police personnel in bigger towns mostly live under miserable conditions which undermine their efficiency and discipline;

(ii) Their living in insanitary areas amidst doubtful characters produced an unwholesome effect on their bearing and discipline;

(iii) The Industrial Housing Scheme had made good headway in some important towns and provided substantial benefits to workers. This created a feeling of discontent among low paid Police personnel who thought that being unvocal and disciplined they were apt to be neglected;

(iv) The schemes for low and high income groups catered for individuals with fixed habitants and as such the Police personnel would not be able to take much advantage of it, as they could not ordinarily build houses where they had to serve.

It was decided that the expenditure on the Police Housing Scheme should be treated as non-development expenditure and State Governments may be given financial assistance in the shape of matching loans repayable in 25 years.

Accordingly, a lump sum provision of Rs. 3 crores was made in the Budget Estimates for 1956-57 to be distributed among the various State Governments for financing their Police Housing Schemes after assessing their actual requirements.

Ceilings were fixed for each State Government and they were advised to go ahead with the construction work out of the funds provided by them in their own budget and to send expenditure statements periodically to the Government of India when the latter would reimburse them to the extent of 50 per cent. of the expenditure incurred subject to the ceiling fixed. No State has, however, so far indicated the expenditure incurred by it on construction. It is therefore evident that the majority of the States have not been able to make substantial progress in their construction programme and it therefore appears that about 50 per cent. of the amount allocated to the States will remain unspent during the financial year, 1956-57. The revised estimates for 1956-57 for this scheme has been scaled down to Rs. 1·5 crores and a lump provision equal to the unspent amount *i.e.*. Rs. 1·5 crores. has been made in the budget estimates for 1957-58 for the purpose.

MINISTRY OF INFORMATION AND BROADCASTING

ALL INDIA RADIO

A sum of Rs. 340 lakhs has been provided in the Budget Estimates 1957-58 of the All India Radio. The major projects for which provision has been made, include, six 100 KW SW transmitters, four at Delhi and one each at Madras and Bombay (Rs. 8·76 lakhs), two 100 KW MW transmitters at Delhi (Rs. 7·85 lakhs), six 50 KW MW transmitters, one each at Jullundur, Lucknow, Calcutta, Ahmedabad, Bombay and Bangalore (Rs. 3·70 lakhs), two 20 KW SW transmitters at Delhi, (Rs. 7·51 lakhs), eleven 20 KW MW transmitters one each at Indore. Ajmer. Delhi, Calcutta, Madras, Cuttack, Patna, Vijayawada, Bombay, Trichur and Tiruchirapalli (Rs. 21·14 lakhs), seven 10 KW SW transmitters, one each at Lucknow, Delhi, Bhopal, Simla, Gauhati I, Gauhati II and

Hyderabad (Rs. 19·95 lakhs), one 7·5 KW SW transmitter at Srinagar (Rs. 3·30 lakhs), two 2/1 KW SW transmitters one each at Ranchi and Dharwar (Rs. 2·89 lakhs), one 1 KW MW transmitter. Studios and Receiving Centre, Poona (Rs. 1·40 lakhs), Broadcasting House Extension, Delhi (Rs. 4·91 lakhs), Research Department, Delhi (Rs. 2·71 lakhs), Television Unit, Delhi (Rs. 3·00 lakhs), Standby transmitters (Rs. 2·46 lakhs), Mobile Broadcasting Vans (Rs. 16·57 lakhs), Permanent Studios at Lucknow, Srinagar, Bhopal, Jullundur, Calcutta, Gauhati, Madras, Ranchi, Ahmedabad, Bombay, Bangalore, Tiruchraplli and Nagpur (Rs. 46·59 lakhs), additional studio facilities at Patna and Hyderabad (Rs. 2·16 lakhs) and Receiving Centres at Srinagar, Bhopal, Jullundur, Lucknow, Calcutta, Gauhati and Patna (Rs. 6·43 lakhs).

The above projects when completed, will improve further the internal as well as external Broadcasting Services. The number of licenses is also expected to increase with the improvement of the Service in India as a result of these projects.

MINISTRY OF IRRIGATION AND POWER

DAMODAR VALLEY CORPORATION

The Damodar Valley Project comprises the construction of a series of 4 dams on the main Damodar River and its tributaries at Konar, Tilaiya, Haithon and Panchet Hill, with hydro-electric stations attached to the Tilaiya, Maithon and Panchet Hill, Thermal Power Stations at Bokaro and Durgapur, a net work of transmission and distribution lines of about 1,725 miles and Durgapur Barrage and irrigation system comprising 1550 miles of canals. The project is expected to afford flood protection to the Damodar Valley, to generate about 479,000 KW of hydro-electric and thermal power and to extend irrigation facilities to an area of 10,44,000 acres. Besides these main objectives, the project will also afford minor benefits like soil conservation, malaria control, fish culture and navigation, etc.

The execution and administration of the project was entrusted to the Damodar Valley Corporation, a statutory Corporation formed in July, 1948 in pursuance of the Damodar Valley Corporation Act of 1948. The Corporation has entered upon the 9th year of its existence. The achievements of the Corporation are summarised below: —

(a) *The Tilaiya Project.*—The project was completed in December, 1952 at a cost of Rs. 3·66 crores. The hydro-electric output of the project has been assessed at 23 million Kwh per annum. Steps are underway to utilise the waters of the reservoir for providing irrigation facilities to about 19,000 acres in upper Damodar Valley.

(b) *Konar Dam.*—The Konar dam was completed in 1955. The estimated cost is Rs. 9·94 crores. The reservoir is being utilised for cooling water for the Bokaro thermal power station. It is expected to utilise the water for providing irrigation to about 104,000 acres of land in the lower valley.

(c) *Maithon Dam.*—The Maithon dam has been substantially completed. The estimated cost is Rs. 16·74 crores. The dam is designed to provide water for irrigating 27,000 acres in the lower valley while the power house will be having an installed capacity of 60,000 KW. The project will also afford a good measure of flood protection to the valley.

(d) *Panchat Hill Dam.*—The dam is primarily intended for flood control and power generation. It will also provide irrigation to a large area in the lower valley. The estimated

cost is Rs. 18·25 crores. The work on the project is in an advanced stage. Earth-work on the left earthen dam and dyke and the saddle dyke is complete. The work on the concrete spillway and on the right abutment and the retaining wall is in progress while the work on right earthen dam and dyke has been taken in hand.

(e) *Durgapur Barrage.*—The barrage, including the bridge was completed in April 1955. As regards the irrigation system, 75 per cent of the total earthwork involved has been completed. The estimated cost of the barrage and irrigation scheme is Rs. 22·86 crores. With the work so far done, it is possible to irrigate 150,000 acres in the lower valley.

(f) *Bokaro Thermal Power Station.*—It was completed and brought into operation in February 1953. The estimated cost is Rs. 15·21 crores. The station has at present an installed capacity of 150,000 KW. The installation of a fourth set of 75,000 KW is being taken up during the Second Five Plan. The station is supplying the much-needed power to various kinds of industries and to the State Governments of West Bengal and Bihar.

(g) *Transmission and Distribution System.*—The estimated cost of the System is Rs. 14·68 crores. Out of a total length of 836 miles of high tension transmission lines, 650 route miles have been completed. 24 out of 34 sub-stations and receiving stations have also been completed. 397 route miles of transmission lines and 24 sub-stations and receiving stations are already in commission for sending out power generated at Bokaro and Tilaiya.

(h) *Power Development.*—The operational phase of the Damodar Valley Project virtually began in January, 1952, when the distribution of Sindri power from the Corporation's own grid commenced. The peak load recorded on the DVC power system so far is 92,000 K.W. The Corporation has recently concluded an agreement with Tata Iron and Steel Co. for supply of power progressively upto a maximum of 90,000 KVA and four agreements with the Bihar Government for a total supply of 10,000 KVA of power. Agreement with the Associated Cement Company and the Chittaranjan Locomotive have also been finalised for additional supply of power to the extent of 2,200 KVA and 1,000 KVA respectively.

(i) *Other Development Activities.*—The Corporation has also undertaken certain developmental activities which include schemes on afforestation, soil conservation, etc. The Government of India have also approved three small scale industries, *e.g.*, lock manufacture, cold storage industry and central finishing workshop for handforged items. Lock manufacture at Tilaiya has already commenced commercial operation. Anti-erosion measures like check dams, re-afforestation in the upper catchment of the Damodar and allied soil conservation measures are also in hand.

The project is estimated to cost Rs. 103·93 crores. The expenditure upto October, 1956 was Rs. 92·40 crores. A provision of Rs. 16 crores has been made in the revised estimate for 1956-57 as also in the budget estimate for 1957-58.

HIRAKUD DAM PROJECT

The Hirakud Dam Project in the Orissa State, which involves the construction of the longest dam in the world consists of a concrete-*cum*-masonry-*cum*-earth dam across the Mahandi river 9 miles upstream of Sambalpur with two canals for irrigation and hydro-electric installations. The first stage of the project, which was started in 1948, consists of a 3 mile long, 200 feet high composite dam of earth masonry and concrete. There are two concrete spillways with earth dams in their centre and on the left flank and a masonry power dam on the right end. Thirteen mile long dykes stretch across low valleys on both sides of the dam.

The dam will store 6·60 million acre feet of water for irrigation and power. It will also provide adequate flood control.

Two main canals take off from the reservoir—one on each side. The canal system with its branches and distributaries will be over 500 miles in length. The project will irrigate 6·72 lakh acres in Sambalpur and Bolangir districts.

The power house will have four units in the first instance with a total capacity of 1,23,000 K.W. There is provision for three more sets to be installed later. Power from the project will be carried by a network of over 500 miles of transmission lines to various consuming centres particularly, the steel plant at Rourkela, mines at Barjajamda, Joda and other places and an aluminium factory at Hirakud. The estimated cost of Stage I, exclusive of the Delta Scheme is Rs. 70·78 crores.

The Government of India are executing the project on behalf of the State Government. A control Board with the Chief Minister of Orissa as Chairman, was set up in May, 1952 to be in over-all charge of the Project under the general supervision of the Government of India.

The main dam has been completed in all its reaches. The two spillways, the civil works in the power house and the earth dam have also been completed. The dykes on both the flanks of the main dam have also been completed. Erection work progressed satisfactorily on all the four generating sets in the power house. Transmission lines to Hirakud Aluminium Factory, Jharsuguda, Rajgangpur, Rourkela, Bargarh etc., were completed. In the power house, set No. 3 of 24,000 K.W. was commissioned on the 13th January, 1957. The remaining 3 sets are scheduled to be completed by December 1957. Work on canals also recorded phenomenal progress, 90 per cent of excavation of main canals and branches has been completed and 60 per cent. of distributaries and minors. Masonry structures on main canals have been completed to the extent of 80 per cent. In all 402 masonry structures have been completed and work is in progress on 208 structures. Irrigation water was let out from the 7th September, 1956. This year a lakh of acres are getting irrigation supply.

Out of the estimated cost of Rs. 70·78 crores, an amount of Rs. 51·34 crores was spent upto the end of October, 1956. A provision of Rs. 13 crores in the Revised Estimates for 1956-57 and Rs 8·50 crores in the Budget Estimates for 1957-58 has been made for financing Stage I of the Project.

HIRAKUD SUBSIDIARY DAM POWER HOUSE PROJECT

The project popularly known as the Chiplima Power Scheme, consists of development of further power by utilising the tail race waters of the main power house at Chiplima. After generation of power in the

main dam power house, the water is discharged into a power channel which leads it to a second power house, 17 miles lower down the river at Chiplima. There is a natural fall of about 80 feet in the river between Hirakud and Chiplima, and this is being made use of to develop further power.

This scheme involves the construction of a power channel to carry the tail race water of power House No. I to the lower power house at Chiplima and the installation of 3 units of 24,000 K.W. each at the lower power house. The estimated cost of the scheme is Rs. 14·32 crores. The scheme has been sanctioned recently and work has commenced. The Revised Estimate for 1956-57 is Rs. 1·07 crores and the Budget Estimate for 1957-58 is Rs. 2 crores.

BHAKRA NANGAL PROJECT

The Bhakra Nangal Project, the largest multipurpose project in India, consists of a 680 feet high dam, which is the highest straight gravity dam in the world, 650 miles of canals and over 2,000 miles of distributaries. The Bhakra Dam is being constructed across the river Sutlej in a natural gorge just before the river enters the plains. The Nangal Dam is located 8 miles downstream and will form a balancing reservoir to take up diurnal variations of water released from Bhakra and thus ensure steady supplies.

Construction of the project started in 1946. The Nangal Dam, the Nangal Hydel Channel, the two Coffer Dams and the Bhakra Canals have been completed. Kharif irrigation was started in July, 1954. The work of remodelling of the Rupar and Sirhind Headworks has been practically finished. The work on the excavation of the fundations of the Bhakra Dam has been completed and the concreting of the dam was started on the 17th November, 1955. Upto the end of November, 1956, 6,61,950 cubic yards of concrete had been placed.

The project provides for 2 power houses at the Bhakra Dam and two on the hydel channel. The Left Bank Power House at Bhakra will have 5 generating sets of 90,000 K. W. each. All the 5 sets have been ordered and they are likely to be commissioned by 1959-60. The Right Bank Power House at Bhakra will also ultimately have 5 generating sets of 90,000 K.W. each and these will be installed as and when the necessity arises on the basis of load growth. The Power House at Ganguwal with 2 units of 24,000 K.W. each was completed and commissioned on the 2nd January, 1955. The Power House at Kotla with 2 units of 24,000 K.W. each was commissioned in July, 1956. Two additional sets of 24,000 K.W. each are to be installed, one each at Ganguwal and Kotla. There are likely to be commissioned by 1959-60.

The Bhakra Canal system commands a gross area of about 6·67 million acres. The culturable commanded area will be about 5·8 million acres while the area actually under irrigation in a year will be about 3·6 million acres. In addition, an area of 3·7 million acres will get increased water supply.

In 1955-56 an area of about 13 lakh acres was actually irrigated in Punjab, Rajasthan and PEPSU. The project when fully developed will produce 0·85 million tons of additional wheat and other food grains. 0·59 million bales of cotton, 0·15 million tons of sugar cane, 0·03 million tons of pulses and oil seeds and 6 million tons of fodder.

The revised project estimate amounting to Rs. 172:54 crores has been approved by Bhakra Control Board. It provides for installation of 5 generating sets on the Left Bank Power House and 3 units each at Kotla and Ganguwal. It also contains a provision of Rs. 152·15 lakhs for works relating to excavation, concrete raft etc., for 4 units in the Right Bank Power House. Additional provision of Rs. 2 lakhs for block out for the fifth unit in that Power House has also been made.

The Revised Estimate for 1956-57 is Rs. 20·50 crores and the budget provision for 1957-58 Rs. 18·62 crores. The expenditure up to the end of October, 1956, was Rs. 128·39 crores.

KOSI PROJECT

The main features of the Kosi Project are:—

(i) A barrage three miles above Hanumannagar, in Nepalese territory.

(ii) Construction of flood embankments on either side of the river both upstream and downstream of the barrage their total length being about 147 miles.

(iii) Eastern Kosi Canal system which is expected to irrigate 13·97 lakh acres of land annually.

(iv) Diversion works which will divert 75,000 cusecs of flood water into the old courses of the river.

The estimated cost of the project is Rs. 44·6 crores. In addition, a provision of Rs. 1·32 crores has been approved for essential civil works in the Hanumannagar Barrage for development of power later. The project is being executed by the Government of Bihar and work on the embankments started in January, 1955.

The Revised Estimate for 1956-57 is Rs. 5·5 crores. A provision of Rs. 5 crores has been made in the budget estimates for 1957-58. The expenditure upto the end of October, 1956, was Rs. 5·05 crores.

RIHAND PROJECT

The Rihand Project, which is being executed by the Government of Uttar Pradesh, is estimated to cost Rs. 45·26 crores and consists of:—

(i) a concrete gravity dam across the Rihand near village Pipri in the Mirzapur district,

(ii) a power house designed to house 6 generating units of 50,000 K.W. each, one of which will be kept as a stand-by, and

(iii) the necessary transmission system.

Power will be utilized for pumping water from 2,500 tubewells for irrigation and for the industrial advancement of the eastern districts of Uttar Pradesh. About 14 lakhs acres of land in Uttar Pradesh and 5 lakh acres in Bihar will be irrigated annually.

The preliminary work on the construction of the project was commenced in 1948, but had to be postponed in 1949 due to the urgent need of transferring all available personnel, materials and funds to short-term food production schemes. Work was resumed in October, 1951. Work on excavation of foundation for the dam commenced in April, 1955, and up to the end of September, 1956, 87·6 lakh cft. of excavation work was done representing 67·5 per cent of the total work to be done.

A provision of Rs. 4·87 crores in the Revised Estimate for 1956-57 and Rs. 4 crores in the Budget Estimates for 1957-58 has been made for financing the project. The expenditure up to the end of October, 1956 was Rs. 6·19 crores.

CHAMBAL PROJECT

The Chambal Product (Stage I) which is being executed jointly by the Governments of Rajasthan and Madhya Pradesh, is estimated to cost about Rs. 48 crores and consists of:—

(i) the Gandhi Sagar Dam across the Chambal at the boundary of Madhya Pradesh and Rajasthan with a gross reservoir capacity of 6·85 million acre feet;

(ii) a power station at Gandhi Sagar Dam to accommodate ultimately five units of 23,000 K.W. each;

(iii) 911 miles of high tension transmission lines; and

(iv) a barrage across the Chambal above Kotah City with canals taking off on both sides of the river for the irrigation of about 11 lakh acres of land in Rajasthan and Madhaya Pradesh.

On completion of the 1st stage 69,000 K.W. of power will generated.

The progress of work up to the end of September, 1956, was as follows:—

(i) *Gandhi Sagar Dam.*—Excavation of foundation work which was started in January, 1953, was completed to the extent of 83·12 per cent of the total. Concrete work and masonry work have been done to the extent of 28·13 per cent of the total.

(ii) *Gandhi Sagar Power Station.*—Excavation for draft Channel and Power Station registered a progress of 63·30 per cent of the total work to be done.

(iii) *Right Main Canal.*—The progress of earth-work, rock-cutting and concrete masonry for aqueducts and bridges was respectively 5·783, 14·07 and 0·194 per cent of the total.

(iv) *Kotah Barrage and Canals in Rajasthan.*—38·65 lakh cft. of rock-cutting, 13:24 lakh cft. of stone masonry representing 55·2 per cent and 49 per cent respectively of the work to be done were completed. On canals, the progress made on rock-cutting, stone masonry and concreting and earth work was respectively 54·8, 24·9 and 23 per cent of the total work to be done.

A provision of Rs. 5 crores has been included in the Revised Estimates for 1956-57 and the Budget Estimates for 1957-58 for financing the project. The expenditure up to the end of October 1956, was Rs. 7·81 crores.

KOYNA PROJECT

The Koyna Hydro-Electric project (Stage I) comprises the construction of a storage reservoir to be formed by a concrete-*cum*-masonry dam across the Koyna, an underground power house capable of generating 2,40,000 K.W. of power at 60 per cent load factor and the necessary transmission and distribution system. The project was inaugurated in January, 1954.

The progress of work on the project is summarised below:

On the civil engineering side, the construction of colony buildings and approach roads is in progress. The work of excavation in overburden and

rock for the dam foundation has been taken up. Earth work relating to the approach tunnel, ventilation tunnel and tailrace tunnel is also in progress.

On the electrical side, preliminary works such as surveys, land acquisition etc. are in progress. The construction power house has been built and two diesel sets are now supplying power to Koynanagar and Pophali. Specifications for switchgear are under preparation and contract agreement for supply of transformers and generators are being finalised.

The project is being executed by the Government of Bombay. It was estimated to cost Rs. 33·22 crores This estimate is under revision and the revised cost of the project is expected to be about Rs. 40·43 crores.

Sums of Rs. 5·17 crores and Rs. 4 crores have been provided in the Revised Estimates for 1956-57 and Budget Estimates for 1957-58 respectively for financing the project. The expenditure up to September 1956 was Rs. 3·24 crores.

NAGARJUNASAGAR PROJECT

The Nagarjunasagar Project comprises the construction of a masonry dam across the Krishna River near Nandikonda about 90 miles below Siddeswaram and two canals taking off one on either side from the reservoir The Project is proposed to be taken up in three stages. The first stage of the project will take about seven years for completion. The main features and scope of the project under the first phase plan will be as follows: —

Dam.—The dam will be built to the full width but the spillway will be raised upto R.L. plus 520 only and the non-overflow portion up to 560. The average height above the foundation level would be 302 ft. for the spillway and 342 ft for the non-overflow portion of the dam respectively. The spillway crest will be fitted with five feet high falling shutters to provide storage upto R.L. plus 525. The reservoir will have a storage capacity of 5·44 m.a.ft. at RL plus 525. and dead storage capacity of 3·94 m.a.ft. at RL 490.

Left Bank Canal.—The left bank canal in the first phase will have full supply discharge of 11,000 cusec and would be 108 miles long. It will irrigate 7.9 lakh acres and an additional three lakh acres in the Krishna Delta

Right Bank Canal.—The right bank canal would be 135 miles long, and is proposed to be designed to carry a discharge of 21,000 cusec. The flow in the canal will in the first phase be restricted to 11,000 cusec to irrigate an area of 10·09 lakh acres.

During the first phase of the project ,estimated to cost about Rs. 88.18 crores, the two canals will bring 21 lakh acres under irrigation.

Perliminary works are in hand. The revised project report which was recently received, is under examination. The work was started on the project in December, 1955 and uptil now the coffer dam has been completed upto R.L. 285. The foundation of the main dam has been excavated to an average depth of 5ft. Work on abutments in nearing completion. Excavation of the right bank canal was started on the 11th October 1956. Excavation work in miles 6, 7, 14, 16 of the left bank canal has been let out on contract. Work in miles 12 and 13 has been entrusted to the Bharat Sewak Samaj. Camp buildings are nearing completion Tem-

porary arrangements for water supply and telephone exchange with 25 connections have been made. Link roads from the right bank to the Nagarjunakonda Valley, about 6 miles in length, have been completed. Embankment for railway for the first reach from mile 1 to 4 and nearly 60 per cent of the embankment work in the second reach from mile 5 to mile 8 has been completed. The project is being executed by the Andhra Pradesh Government.

A provision of Rs. 4·93 crores has been made in the revised estimates for 1956-57. For the year 1957-58 a provision of Rs. 5·5 crores has been made. The expenditure up to the end of October, 1956, is Rs. 1·72 crores.

PROGRAMME OF PERMANENT IMPROVEMENT IN SCARCITY AREAS

Out of the total provision of Rs. 40 crores, earmarked for the programme of permanent improvement for scarcity areas in the First Plan, only Rs. 28·71 crores were utilised by the various States during the First Plan period. The programme has not been specifically included in the Second Plan, but the approved schemes under the programme have been classified as continuing schemes in the 2nd Plan, and are being financed from the balance of Rs. 11·29 crores. Loan assistance to the extent of Rs. 3·6 crores was given in 1953-54, Rs. 10·28 crores during 1954-55 and Rs. 14·83 crores during the year 1955-56. A sum of Rs. 6 crores has been provided in the Revised Estimates for 1956-57 and Rs. 4 crores in the Budget Estimates for the year 1957-58.

Against a target of 1·5 million acres of additional irrigation from the scheme included in the programme, an area of about 8.5 lakh acres was brought under irrigation as a result of schemes undertaken during the First Plan.

FLOOD CONTROL

In order to ensure that flood control measures are formulated and carried out expeditiously, a Central Flood Control Board has been constituted to consider the schemes proposed by the States at the highest level and to draw up a national flood control programme, having due regard to the availability of finance and technical personnel.

Flood Control Boards have been set up in 10 States, namely, Andhra Pradesh, Assam, Bihar, Jammu and Kashmir, Madhya Pradesh, Orissa, Punjab (including Pepsu), Bombay (Saurashtra region), Uttar Pradesh and West Bengal. Representatives of the States Boards are members of the Central Board and to assist the latter in all technical matters pertaining to the preparation of integrated plans for flood control, the Government of India have set up four River Commissions, namely, the Ganga River Commission (Floods), the Brahmaputra River Commission (Floods), the North-West Rivers Commission (Floods) and the Central India Rivers Commission (Floods).

The Central Water and Power Commission, which assists in the secretarial work of the Central Flood Control Board and the River Commissions draws up integrated plans for flood control in the various river basins in the country, supplies designs and tenders technical advice to the States, scrutinises estimates of projects prepared by the State Governments before submission to the River Commissions and secures co-ordination between the various departments concerned. For this purpose, a Flood Wing has been created in the Commission.

As the States are not in a position to finance flood protection works from their own resources, financial assistance is given by the Centre generally in the form of 30-year loans which are interest-free for the first five years. Loans to the extent of Rs. 847·97 lakhs were advanced to different States (in 1954-55 Rs. 231 lakhs and in 1955-56 Rs. 616·97 lakhs). The revised estimate for 1956-57 is Rs. 10 crores. A provision of Rs. 7 crores has been included in the budget estimates for 1957-58.

A high-level committee is being set up to go into the entire question of the flood problem in the country on the basis of available data and make their recommendations on the flood protection measures which should be undertaken hereafter.

PROGRAMME OF EXPANSION OF POWER FACILITIES FOR INCREASING EMPLOYMENT OPPORTUNITIES

Under this programme the States are assisted with loans for extending power to small towns and rural areas for increasing employment opportunities through development of small scale industries, tubewell irrigation, etc. Loans are granted to the States in order to reimburse them the entire expenditure incurred on approved schemes. The loans are repayable over a period of 30 years, being free of interest for the first five years. The schemes were received from the States and approved by the end of 1954. This assistance was extended to 19 States covering 214 schemes and costing in all Rs. 20,70 lakhs. The works were to be completed during the First Plan, by 31st March 1956, but for various reasons an amount of Rs. 827·52 lakhs only was sanctioned till March 1956. The revised estimate for 1956-57 is Rs. 6·20 crores and the budget estimate for 1957-58 is Rs. 6·20 crores, thus providing for the completion of the schemes started in the First Plan.

DELHI STATE ELECTRICITY BOARD

The total firm power available for distribution in Delhi after taking into account the supply from Bhakra Nangal system and the increase due to the installation of two 2,000 KW sets purchased from the Defence Ministry, and the 3,000 KW supply by the inter-connection of the steam ranges of 'A' and 'B' stations, would be 66 MW against the estimated demand of 99 MW in 1957-58 and 146 MW in 1960-61. The additional power from the Bhakra Nangal system which will increase the total supply from that source to 60 MW, as against 20 MW received at present, is expected only in 1960-61. Arrangements have, therefore, to be made to provide further power by augmenting the generating plant.

The augmentation of the generating capacity by 50 MW (20 MW from a diesel plant and 30 MW from a thermal plant) to meet the present shortage has already been approved. Orders for the diesel plant have been placed. It is expected that this will be commissioned during 1957-58.

A loan of Rs. 30 lakhs has been provided in the revised estimates for financing the capital expenditure of the Board during 1956-57. For the same purpose, a provision of Rs. 50 lakhs has been made in the budget estimate for 1957-58. This includes provision for advance payments for the 30 MW thermal plant mentioned above.

The total loan granted to the Board upto the end of 1955-56 amounts to Rs. 5·95 crores.

MINISTRY OF YABOUR AND EMPLOYMENT

TRAINING OF CRAFTSMEN

Under the scheme of training of craftsmen, tools and equipment are purchased and supplied to the Training Centres where technicians are trained at Government expense.

As a result of trasfer of the administrative control of the Training Centres to the State Governments with effect from 1st November 1956, the tools and equipment from that date onwards will be purchased by the State Governments and 60 per cent. of cost thereof will be met by the Central Government, as grants-in-aid to the States except in the case of Union Territories where the Central Government will foot the entire cost of the scheme. A Central Training Institute for Instructors is also being maintained by the Central Government.

A provision of Rs. 25 lakhs has been made under revised estimates 1956-57 and Rs. 16·87 lakhs have been provided for in the budget estimates, 1957-58.

LABOUR INSTITUTES

According to the agreements entered into with the Government of U.S.A. equipments, books etc. for the Central Labour Institute, Bombay and for the Regional Museums to be set up at Kanpur, Madras and Calcutta are to be obtained from the Government of U.S.A. under the T.C.A. Programme. Incidental charges in respect of the equipment etc. only are to be borne by the Government of India. A provision of Rs. 3·75 lakhs has been made in the Budget Estimates, 1957-58 both for the cost of equipment and incidental charges (cost of equipment Rs. 3 lakhs and incidental charges Rs. ·75 lakhs). The cost of equipment will be met from Special Development Fund.

MINISTRY OF STEEL, MINES AND FUEL

HINDUSTAN STEEL (PRIVATE) LTD

(Rourkela Steel Project)

Following an agreement between the Government of India and the German Combine of Krupps and Demag, a company under the style of Hindustan Steel Ltd. was promoted on 21st December, 1953 with an authorised capital of Rs. 100 crores and an issued and paid up capital of Rs. 5 lakhs of which Rs. 4 lakhs were contributed by the Government of India and Rs. 1 lakh by the German Combine. The German Combine will act as the Technical Consultants for the designing and erection of the integrated steel works at Rourkela and will also be in general charge of construction. According to the original agreement which related to the construction of a plant with a capacity of ½ million tons, the Technical Consultants were to receive a fixed fee of Deutsch Marks 18·9 million (Rs. 2·10 crores) in addition to actual expenses of their office in India subject to a ceiling of Rs. 70 lakhs. The Government of India later on decided to increase the capacity of the plant to 1 million tons and Supplementary Agreement was signed with the German Combine to provide for this alteration. The Supplementary Agreement provides for an increase of Deutsch Marks 6·2 million (Rs. 70 lakhs) in the Technical Consultants' fee.

The Final Project Report for the ½ million plant submitted by the Combine had to be substantially altered in accordance with the subsequent decision to increase the capacity of the plant to 1 million tons. The re-

vised Final Project Report which recommends the adoption of a new process of steel making known as the "L. D. Progress" to the extent of 75 per cent. of the Plant's capacity has been accepted by the Government with certain modifications. This process is stated to have the advantages of lower capital and operating costs, higher rate of production and saving in space and auxiliary equipment. This process will also yield 4·42 lakh tons of nitro-limestone fertilizer as bye-product.

In order to make the company an 100 per cent. Government concern, it has been decided to purchase the 20 per cent. share held by the German firm.

Orders for the plant have already been placed with various German firms. Total cost of the plant is estimated at Rs. 170 crores. Land has already been acquired and construction of township including office buildings is in progress. The first blast furnace at Rourkela is expected to go into production in October, 1958 and the entire Steel Plant will be in operation by the end of 1959.

Government have so far advanced loans amounting to Rs. 19 crores to the company. Provision of a further sum of Rs. 2·5 crores as loan and Rs. 9 crores as share capital has been made in the current year's budget. In the Budget 1957-58, provision has been made for Rs. 60 crores for purchase of shares.

BHILAI STEEL PROJECT

In pursuance of the Government's objective to create a capacity of 6 million tons of steel ingots in the country by 1960 negotiations were conducted with a Russian Team of Steel experts for the setting up of a second steel plant in the public sector to produce 1 million tons of ingots. A preliminary agreement was signed between the Governments of India and the U.S.S.R. on the 2nd February, 1955 for the setting up of a modern integrated iron and steel plant with an initial capacity of 1 million tons of ingots to be rolled into about 750,000 tons of rolled products. Bhilai in Madhya Pradesh has been selected as the site of this plant. The plant will be designed with a view to eventual expansion to a capacity of 1 million tons of rolled products. The salient features of the agreement are indicated below:

(1) The entire plant is to be commissioned by December, 31, 1959 but some of the main departments will be ready earlier.

(2) The plant and equipment to be supplied from the U.S.S.R. are to be paid for in 12 annual instalments, the rate of interest on the amount outstanding each year being calculated at 2½ per cent. per annum. The payments will be made in Indian Rupees into a special account opened for this purpose in the Reserve Bank of India. The amounts thus credited to this account may be utilised for the purchase of goods in India and/or to be freely convertible into pounds sterling. The prices are to be negotiated on presentation of the Final Project Report.

(3) There is provision for association of Indian experience and talent at all stages of the planning, designing and execution of the Project.

(4) There is provision for visits by Indian experts to U.S.S.R. to examine plants of a similar nature in operation as well as factories manufacturing metallurgical equipment (A delegation of Indian Experts actually visited the U.S.S.R. in August, 1955).

(5) The Government of India have reserved the option regarding the acceptance or otherwise of the scheme outlined in the Final Project Report.

(6) Provision has been made for the training of a sufficient number of Indian technicians both in India and the U.S.S.R. so that Indian personnel may man the plant to the maximum extent possible from the beginning.

(7) Soviet Organisation will receive a sum of Rs. 2·5 crores for their services including the detailed Project Report. The cost of salaries, travelling and other allowances and expenses of the Soviet personnel for rendering the technical assistance and supervision in India will have to be paid in addition.

The Project Report submitted by the Soviet Organisation was accepted with certain agreed modifications in March, 1956. The cost of the Plant is estimated at Rs. 115 crores.

Land for the Plant and the Township has been acquired and machinery has started arriving from U.S.S.R. The initial work at the site is in progress. Six technical Officers have been sent to Russia to work on the designs of the Steel works. 80 graduate engineers have been sent for training in the Steel works in Russia. So far about Rs. 5·5 crores have been spent on the Project. The expenditure likely to be incurred in 1956-57 is Rs. 18·74 crores. A provision of Rs. 63·33 crores has been made in Budget Estimates 1957-58.

DURGAPUR STEEL PROJECT

With the completion of the projected expansion of the existing Steel works in private sector 3 million tons of ingot steel will be available by 1960. The Government plants at Rourkela and Bhilai would produce a million tons each. To bridge the gap of one million tons in the target of 6 million tons a proposal to establish a third steel plant in the public sector was mooted early in 1955. The services of a British Steel Mission were secured under the Colombo Plan for studying the possibility of setting up this Plant.

The Government of India on the recommendation of the Mission decided in August/September, 1955 to (i) set up a steel plant with the capacity of 1 million tons ingot at Durgapur in West Bengal, (ii) appoint Messrs International Construction Company, a leading firm of consulting engineers in the United Kingdom, for the project, and (iii) to invite Messrs The Indian Steel Works Construction Company of London, a consortium of leading British Steel and other allied interests for discussing ways and means of constructing this Plant.

After negotiations with the British Consortium—The Indian Steel Works Construction Co. of London—a contract was signed by the Government with this firm in October, 1956. Under this contract the firm is responsible for supply, construction and erection of the Plant in its entirety. The construction of the Township and certain other works outside the perimeter of the Plant like watersupply will be the responsibility of the Government of India. The Steel works is estimated to cost about Rs. 138 crores (excluding the township) out of which the cost of plant and equipment from the U.K. will be about Rs. 85 crores.

Some land has been acquired and the construction of the Township is in progress. A sum of Rs. 9·5 crores has so far been spent on the Project. Total expenditure in 1956-57 is estimated at Rs. 16 crores. A provision of Rs. 33·5 crores has been made in Budget Estimates 1957-58.

COAL WASHERIES

Various Expert Committees on coal, set up from time to time, have recommended that in view of the limited reserves of metallurgical coal in the country all possible measures of conservation should be adopted. One of the measures recommended is the use of washed coal by the Steel Industry.

It is estimated that by the end of 1959-60 the Steel Industry would need about 10 million tons of washed coal per year. Taking into account the capacity of the existing Washeries in the private sector and that of the Government Washery being set up at Kargali, a deficit of about 4·6 million tons per year is expected. As private Collieries are reluctant to set up Washeries, it has been decided to set up two State-owned Washeries on the local fields to supply 4·6 million tons of washed coal per annum to the Steel Industry. The question of location of these Washeries is still under consideration.

Total estimated cost of the two Washeries is Rs. 5 crores. No expenditure is expected to be incurred in 1956-57. A provision of Rs. 1 crore has been made in Budget Estimates 1957-58.

EXPANSION OF MYSORE IRON AND STEEL WORKS

The Mysore Iron and Steel Works is a high cost unit mainly due to its uneconomic capacity. The expansion scheme of this factory is designed mainly to increase its steel production capacity from about 30,000 tons per annum to about 100,000 tons per annum by the installation of necessary additional equipment. It is also proposed to increase the capacity of the Cast Iron Pipe Plant. It has already installed two Electric Furnaces for the production of pig iron.

In the Second Five Year Plan the following schemes of the Mysore Iron and Steel Works have been included:

Scheme	Estimated Cost (Rs. in lakhs)
1. Steel making facilities and Billet and structure mill	300
2. Ferro Alloy Plant	150
3. Extension of electricity supply and tramways	100
4. Cast Iron Spun Pipe Plant	15
5. Sintering Plant	30
TOTAL	595

Out of these five schemes, the Cast Iron Spun Pipe Plan is already in the process of erection. With regard to the Sintering Plant, drawings are under preparation and steel, cement etc. have been ordered. Quotations have been received with regard to the plant and machinery required for the expansion of steel making facilities and the ferro-alloy plant and these are now under scrutiny. The scheme for the expansion of electricity supply and tramways is also linked with the overall expansion of the

Works and considerable progress has been made with regard to this scheme.

All these schemes are being executed by the State Government with financial assistance from the Centre in the shape of loans.

THE TATA IRON AND STEEL CO. LTD.

The Tata Iron & Steel Co. have embarked upon an expansion and modernisation programme estimated to cost about Rs. 43 crores. A special repayable advance of Rs. 10 crores had been sanctioned by the Government to be drawn in instalments. With the drawal of Rs. 81 lakhs during the current year the company have exhausted their full quota.

THE INDIAN IRON & STEEL COMPANY LIMITED

In 1949-50, the Government of India sanctioned a loan of Rs. 5 crores to the Indian Iron & Steel Co. and the Steel Corporation of Bengal for completing the first phase of their expansion. The two companies were subsequently amalgamated with effect from 1st January 1953 and came to be known as the Indian Iron & Steel Co.

Substantial expansion of their works at an estimated cost of Rs. 35 crores has been undertaken with the ultimate object of increasing their output to 700,000 tons of finished steel and 400,000 tons of pig iron for sale. They have secured a loan of $ 31,500,000 from the International Bank for the purpose of expansion. The Government have already advanced in addition to the original loan of Rs. 5 crores, a further loan of Rs. 2·9 crores. A sum of Rs. 19·17 lakhs representing the interest estimated to accrue on this loan has been provided in B.E. 1957-58 as further loan to the company.

Over and above this, a special repayable advance of Rs. 10·18 crores roundly has also been sanctioned for this purpose. Against this special advance, a sum of Rs. 1·2 crores was paid in 1954-55 and Rs. 1·78 crores in 1955-56. A further sum of Rs. 439 lakhs is expected to be paid during 1956-57. During 1957-58 a sum of Rs. 281·43 lakhs is expected to be paid for which provision has been made in B.E. 1957-58.

IMPORT OF STEEL UNDER THE INDO-AMERICAN ECONOMIC AID PROGRAMME

One of the major obstacles in India's economic development is shortage of steel. Against the annual estimated demand of over 3 million tons, the indigenous production is only about 1·24 million tons a year. In order to bridge partly this wide gap, the Government of India and the Government of U.S.A. entered into agreements for importing into India under the Indo-American Economic Aid Programme categories of steel particularly in short supply. Six such Agreements have already been entered into for import of 4,88,305 tons of steel at the total estimated cost of $ 64,296,222. The Government of India are committed under these Agreements to contribute Rs. 298·91 lakhs representing customs duty, handling and clearing charges etc. to be incurred in importing and distributing steel in India.

Since the first Agreements were entered into in 1952, a quantity of 3,52,411 tons valued at about Rs. 19,32·16 lakhs arrived upto the end of March, 1956. A quantity of 1,23,876 tons valued (cost and freight) at about Rs. 7,96·06 lakhs is expected to arrive within the current financial

year and another quantity of 27,383 tons valued (cost and freight) at Rs. 201·94 lakhs is expected to arrive by the end of 1957-58. Provision has accordingly been made in the R.E. 1956-57 and B.E. 1957-58. The expenditure will be recouped partly by the sale proceeds of the Steel and partly from the Iron & Steel Equalisation Fund the balance being met out of the credits from the funds made available by the Government of U.S.A.

INDIAN BUREAU OF MINES

The Indian Bureau of Mines is to undertake an extensive investigation work during the 2nd Plan period for prospecting of minerals in the country and it is necessary that up-to-date equipment is provided. A provision of Rs. 8 lakhs has been made in the budget for 1957-58. Besides, a provision of Rs. 76·31 lakhs has been made in the next year's budget for equipment and staff in connection with the coal production programme during that year.

OIL EXPLORATORY SCHEMES

1. *Indo-Stanvac Petroleum Project*:

The Indo-Stanvac Petroleum Project is a joint venture of the Government of India and the Standard Vacuum Oil Co. The latter have been doing exploration for oil in West Bengal over an area of 10,000 sq. miles since January, 1954 and have completed certain essential types of geophysical survey. Experimental operations having been completed at some places, drilling operations are likely to be undertaken shortly. Government of India contributes 25 per cent. of the expenditure while the remaining 75 per cent. is contributed by the Standard Vacuum Oil Co. The amount paid by the Government upto December 1956 was Rs. 64·60 lakhs. A sum of Rs. 40·93 lakhs has been provided in the budget estimates, 1957-58.

2. *Indo-Assam Oil Co.*:

The Assam Oil Co. had been granted prospecting licences for petroleum in the Assam region subject to the condition that they would form a Rupee Company with 33 per cent. Government participation for production of oil.

Oil having been struck in economic quantities, a Rupee Company is being set up. A token provision of Rs. 50 lakhs has been made in the Budget Estimates, 1957-58.

3. *Oil and Natural Gas Commission*:

It has been decided that the Government of India should also undertake exploration, exploitation and refining of oil in the country. The Oil and Natural Gas Commission was, therefore, set up on the 14th August 1956.

The programme of the Commission during the 2nd Plan period includes geological mapping, magnetic and gravity survey and seismic investigations in the Punjab, Rajasthan, Ganga Valley, Cambay (Kutch) and West Bengal. In addition, structural drilling is proposed to be carried out in the Punjab, Rajasthan and Cambay (Kutch) and deep test drilling in the Punjab, Rajasthan and Ganga Valley. The work has already been started in some areas.

A provision of Rs. 200 lakhs has been made in the budget estimates, 1957-58.

NEYVELI LIGNITE CORPORATION

Government have accorded a high degree of priority to the mining and utilisation of lignite occurring at Neyveli in the South Arcot District of Madras in view of the acute shortage of fuel and power in South India. Perliminary investigations which were undertaken under the direction and supervision of Messrs. Powell Duffryn Technical Services Limited, whose services as Technical Consultants were obtained by the Government of India under the Colombo Plan, have proved that the ground water control, which is a pre-requisite to the safe mining of lignite could be achieved through a pumpage of 27,000 to 28,000 gallons of water per minute, rendering the mining of lignite an economically feasible proposition. The investigations have also estimated that the tonnage of workable lignite reserves in this area is over 200 million tons which would suffice a mine life of 57 years at an average mine output of 3·5 million tons per year.

With the successful conclusion of these investigations, Government have accepted, in principle, the execution of the Integrated Lignite Project at an estimated cost of Rs. 68·8 crores and have sanctioned the mining part of the project which envisages the mining of 3·5 million tons of lignite per annum at an estimated cost of Rs. 16·9 crores and the first cut of the mine is expected to be inaugurated in March, 1957. The most significant component of the Integrated Project is the production of 2,00,00 K.W. of power, at an estimated cost of Rs. 20 crores, in a Thermal power station using lignite as fuel the planning of which has been taken in hand. The first unit of the Thermal Power Station is expected to be commissioned by the middle of 1960.

Manufacture of fertilizers at an estimated cost of Rs. 21 crores with a fixed nitrogen content of 70,000 tons per annum is another important constituent of the Integrated Project. The exact types and quantities of fertilizers to be produced will depend on the result of certain tests now being conducted in the Sindri Laboratories. The fertilizers plant is scheduled to commence production about the middle of 1961. Offiers of consultancy services from a few foreign firms are under consideration.

Tests on bulk samples of Neyveli lignite carried out in German laboratories have established that the Neyveli lignite is of a very good quality capable of yielding satisfactory briquettes. After completing further tests with the Pilot briquetting and carbonising plant to be procured under T.C.M. Aid, specifications will be drawn up for the briquetting plant for the production of 3,80,000 tons of carbonised briquettes and by-products. The estimated cost of this project is Rs. 11 crores and operations on a commercial scale are expected to commence by about October, 1961. Government have also authorised the acquisition of 26,750 acres of land and sactioned a scheme for the rehabilitation of the displaced persons. The Chief Town Planner of the project is working on the planning of the township and industrial area and the Chief Architect is engaged in drawing up the designs of buildings and factories. The integrated project will provide employment to about 25,000 persons in various categories.

The management of the project has been entrusted to Government of India owned private limited Company known as the "Neyveli Lignite Corporation (Private) Limited" which started functioning from the 6th December, 1956. The share capital of the Company is Rs. 25 crores.

NATIONAL COAL DEVELOPMENT CORPORATION

The annual output of coal during 1955 was 38 million tons, out of which 4·5 million tons was raised in the public sector. The target of coal production by the end of the Second Plan is fixed at 60 million tons per annum. Out of the increase of 22 million tons envisaged during the Second Plan, the target of additional coal production in the public sector is 12 million tons. Of this 12 million tons, 2 million tons is proposed to be achieved by raising the output of existing State Collieries and Singareni Coal-fields. The remaining increase in production of 10 million tons is proposed to come from new areas, which will involve a large outlay. The total capital investment required for raising additional 12 million tons is estimated at Rs. 60 crores, including 12 crores for housing.

Pursuant to the recommendations of the Railway Collieries Enquiry Committee (1951) and the Estimates Committee (Fifteenth Report), Government decided to set up a Private Limited Company styled as "National Coal Development Corporation" with an authorised share capital of Rs. 50 crores to be owned entirely by the Government of India.

The Government have transferred the management and membership of the Government Collieries including all its assets and liabilities to the Corporation with effect from 1st October, 1956 and necessary funds have been made available to the Corporation for its further requirements during the current year. In return the Corporation will allot shares to the Government.

A provision of Rs. 4 crores has been made in the Budget Estimate, 1957-58 for giving loan to the National Coal Development Corporation.

MINISTRY OF TRANSPORT AND COMMUNICATIONS

HINDUSTAN SHIPYARD LTD.

The total issued capital of the Hindustan Shipyard stands at Rs. 452·75 lakhs, out of which Government of India holds shares valued at Rs. 348·50 lakhs. The remaining shares valued at Rs. 104·25 lakhs are held by the Scindia Steam Navigation Co. Ltd. A provision of Rs. 75·78 lakhs has been made in the R.E. 1956-57 for further development of the Shipyard and payments to Scindias and their Debenture Trustees for acquiring the shipyard from them. A provision of Rs. 30 lakhs has been made in B.E. 1957-58 for development of the yard.

The question of setting up a second shipyard is under consideration. As the required technical staff to man the new shipyard is not readily available, it is necessary to train up such personnel in the existing shipyard. Provision of Rs. 2 lakhs has been made in R.E. 1956-57 and Rs. 3 lakhs in B.E. 1957-58 for the training scheme.

Pursuant to the decision of the Government to subsidise the shipbuilding industry, ships built in the Hindustan Shipyard will be sold to Indian Shipowners at the U.K. parity-prices—the difference between the cost price and the sale price being made good by Government as subsidy. A provision of Rs. 5 crores has been made for payment of subsidy during the Second Five Year Plan.

During 1956-57, the Shipyard delivered upto December, 1956, two modern Diesel Engine Ships of 4664 G.R.R. and 5296 G.R.T. respectively. Keels for four vessels have also been laid during 1956-57.

The Development Programme of the Shipyard is likely to be completed by the end of 3rd quarter of 1957 when the present capacity of the Yard of two ships per year will be doubled.

The Hindustan Shipyard completed its fourth year of working on the 31st March, 1956. The Accounts for the year 1955-56 reveal a net loss of Rs. 78,111/1/8 after providing a sum of Rs. 13,48,248/5/0 towards normal depreciation. Credit has been taken in the accounts for the year for a sum of Rs. 64,29,584/2/- which has been claimed as subsidy.

EASTERN SHIPPING CORPORATION

This Corporation was set up in March, 1950, with an authorised capital of Rs. 10 crores in partnership with the Scindia Steam Navigation Co. Ltd., Bombay, who were appointed as its Managing Agents. The present subscribed capital of the Corporation is Rs. 5·5 crores of which Rs. 4·07 crores (74%) have been subscribed by Government and the balance (26%) of Rs. 1·43 crores by the Scindia Company. Consequent on the coming into force of the Indian Companies Act, 1956, the Scindia Company had intimated to Government that they did not want to continue as the Corporation's Managing Agents. The Managing Agency, therefore, stood terminated on the 15th August, 1956. A Managing Director has been appointed who carries on the work of the Corporation with the assistance of the Board of Directors. It has also been decided by Government that the share holding of Rs. 1·43 crores of Scindias in the Corporation should be repatriated to them at par value. The provision of Rs. 74 lakhs in the Revised Estimate for 1956-57 will be utilised to meet part of the commitment, the balance of which (Rs. 69 lakhs) will be paid to the Company in 1957-58 from the sum of Rs. 1·20 crores provided in the Budget for that year.

The Corporation participates in the India/Australia, India/Far East, Indian/Malaya and India/East Africa trades. Its working results since its inception are as under:—

(Rupees in lakhs)

	Profit	Loss
1950-51	1·38	..
1951-52	22·54	..
1952-53	12·38	..
1953-54	4·07	..
1954-55	..	19·01
1955-56	32·11	..

The Corporation has placed some building orders with the Hindustan Shipyard Ltd. The commitment in respect of these will be met from the provision in the B.E., 1957-58.

WESTERN SHIPPING CORPORATION

This Corporation was set up in June, 1956, with an authorised capital of Rs. 10 crores and an issued capital of Rs. 3·5 crores and is entirely State-owned and controlled. The Affairs of the Corporation are conducted by its Board of Directors, the members of which are all Government nominees. The D.G. Shipping is the Chairman and Managing Director of the Corporation.

The Corporation has placed building orders for ships in India and abroad and the provision of Rs. 3·5 crores in R.E., 1956-57 and Rs. 2 crores in B.E. 1957-58 will be utilized to meet the commitments in this regard.

SHIPS FOR COASTAL AND OVERSEAS TRADE

The Shipping Policy Committee recommended in 1947 that Indian tonnage should reach a target of 2 million tons "in the next 5 to 7 years". The Government of India had in their resolution on the Committee's report declared it to be their objective to render all possible assistance to Indian shipping industry to make as rapid an expansion as possible to attain the target set by the Committee. With this end in view, assistance had been given since 1947 by Government to the Indian shipping companies in various forms.

Early in 1951 the Government after further consideration of the matter came to the conclusion that left to themselves, the Indian shipping companies with their limited resources would not be in a position to acquire tonnage quickly. The Government of India, therefore, announced a scheme for grant of loans to the companies on reasonable terms to enable them to acquire ships for the coastal and overseas trades. A scheme in this regard was included in the First Five Year Plan which contemplated a net addition of 2·15 lakhs tons raising the Indian tonnage to 6 lakhs tons by 1955-56, on an initial monetary outlay of Rs. 19·45 crores which was later increased to over Rs. 26 crores. Expenditure for the whole of this amount was sanctioned during the first plan. Tonnage at the end of the first plan was 480,000 tons; but another 1·20 lakhs tons of shipping were under Construction in Indian and foreign yards. These ships would be delivered progressively by the end of 1957. when the first plan target of 6 lakhs tons would be attained.

The scheme for the grant of loan assistance to the Indian shipping industry has been continued in the Second Five Year Plan, which provides a sum of Rs. 45 crores (inclusive of a carry over of Rs. 8 crores from the First Five Year Plan). Of this amount, about Rs. 25 crores are earmarked for grant of loans. Already by the middle of 1956-57, firm commitments for practically the whole of the Second Plan provision have been entered into. The amounts of Rs. 60 lakhs and Rs. 5 crores for the coastal and overseas trade respectively, shown in the Budget Estimates for 1957-58 represent the actual requirements of funds during that year.

LOANS TO SAILING VESSELS INDUSTRY

The question of amelioration of the nascent Indian sailing vessels industry has been continuously receiving the consideration of the Government of India since the submission of the Report of the Sailing Vessels Committee in the middle of 1949. In accordance with this policy, Government have decided in principle to afford financial assistance to sailing vessel operators to enable them to mechanise their vessels. A provision of Rs. 40 lakhs has been made in the Second Five Year Plan for this purpose.

The scheme in this regard can, however, be finalised only when the industry has been brought under statutory control. For this purpose the question of promotion of necessary legislation is under active consideration. A bill in this regard is expected to be introduced in Parliament in the middle of 1957.

LIGHTHOUSES AND LIGHTSHIPS

A scheme costing about Rs. 4 crores for improvement of navigational aids along the coast of India has been drawn up for implementation during the Second Plan period. The Scheme aims at making navigation around the Coast of India safer and less hazardous. During 1957-58, it is proposed to establish 24 new lights, 3 harbour radars, 3 fog signals, 6 medium frequency radio beacons, 8 Decca Navigation Stations, 2 light buoys and acquire four new lighthouse tenders.

A provision of Rs. 95 lakhs has been made in the Budget Estimate, 1957-58.

DEVELOPMENT OF MINOR PORTS

There are a number of minor ports of varying sizes on the long coast line of India. In the interests of the transport economy of the country it has been considered essential to have a few well developed minor ports suitably placed geographically and well maintained. In pursuance of the recommendations of the National Harbour Board, it was proposed to extend Central assistance to the development of certain selected ports to the extent of Rs. 5 crores during the Second Five Year Plan period by the grant of loans to State Governments so as to enable them to take up their plans or minor port development. A provision of Rs. 56·07 lakhs and Rs. 50 lakhs has been made in the Revised Estimates for 1956-57 and Budget Estimates for 1957-58 respectively.

DEVELOPMENT OF MAJOR PORTS

For the rehabilitation, modernisation and expansion of facilities at Major Ports, it has been decided in consultation with the Planning Commission to make available to the authorities of the Major Ports of Bombay, Calcutta, Madras and Cochin a sum of Rs. 40 crores (including Rs. 14 crores for direct capital expenditure at Kandla) in the Second Five Year Plan in the form of loans on concessional terms. Provision for this purpose is being made each year in the Budget Estimates. A provision of Rs. 5·24 crores in the Revised Estimates for 1956-57 and Rs. 6 crores in the Budget Estimate for 1957-58 has been made.

HIMACHAL GOVERNMENT TRANSPORT

A provision of Rs. 55 lakhs approximately has been made in the Second Five Year Pan for the expansion of Himachal Government Transport. Rs. 8·5 lakhs has been provided in the Budget Estimates 1957-58 for this purpose.

MANIPUR STATE TRANSPORT

During the Second Five Year Plan the pace of expansion of nationalised services has to be accelerated. A provision of Rs. 4·5 lakhs has been made in Budget Estimates 1957-58 for expansion of the Manipur State Transport.

LOAN ASSISTANCE TO THE DELHI ROAD TRANSPORT AUTHORITY

The bus services in Delhi, originally provided by the Gwalior Northern Indian Transport Company were taken over by Government on the 14th May, 1948 and transferred to the Delhi Road Transport Authority on the

1st April, 1950. The Authority took over the operation of the tramway service in the city of Delhi from the Delhi Central Electric Power Authority with effect from the 1st April, 1951.

Loans are being advanced to the Authority for the purpose of addition to the fleet and meeting other capital expenditure. The total loans granted to the Authority from 1950-51 to 1955-56 work out to Rs. 1·5 crores The entire amount of Rs. 66 lakhs provided in the Revised Estimates, 1956-57, is expected to be paid to the Authority before the close of the year. As regards loan assistance during 1957-58, a provision of Rs. 50 lakhs has been made in the Budget Estimates, 1957-58. The Authority has been regularly repaying the yearly instalments of the loans advanced to them and the interest due thereon. The financial position of the Authority has been steadily improving since 1952-53. This will be apparent from the following returns on capital at charge, after fully covering depreciation and meeting interest on loans:—

1952-53	4·40%
1953-54	2·31%
1954-55	2·28%
1955-56	7·08%

The following table indicates the financial results of operations of the Authority during 1955-56 and 1956-57.

(In lakhs of Rupees)

Earnings	Bus Wing 1955-56 (Actuals)	Bus Wing 1956-57 (Estimated)	Tramway Wing 1955-56 (Actuals)	Tramway Wing 1956-57 (Estimated)
Traffic earnings	116·97	135·67	6·31	6·01
Advertisements	0·95	1·15	0·01	0·02
Miscellaneous	2·44	1·09	0·27	0·33
TOTAL	120·36	137·91	6·59	6·36
Expenditure				
Working Expenses	80·77	94·57	6·30	6·49
Depreciations	21·22	24·66	0·53	0·51
Interest charges	7·14	7·24	0·35	0·16
TOTAL	109·03	126·47	7·18	7·16
Net Profit (+) or Loss (—)	(+)11·33	(+)11·44	(—)0·59	(—)0·80
Capital at charge (Provisional)	159·84	204·17	4·33	4·33

CONSTRUCTION AND DEVELOPMENT OF NATIONAL HIGHWAYS

This development project is based on the recommendations made in the Nagpur Report on road development as endorsed by the Policy Committee on Transport and the Transport Advisory Council. The project was put into execution on the 1st April, 1947.

The Planning Commission have approved of an expenditure ceiling of Rs. 55 crores for the construction and development of National Highways during the Second Five Year Plan. The Revised Estimates 1956-57 and the Budget Estimates 1957-58 amount to Rs. 10·00 crores and Rs. 9·00 crores respectively.

CONSTRUCTION AND DEVELOPMENT OF ROADS OTHER THAN NATIONAL HIGHWAYS

The Ministry of Transport (Roads Wing) assumed administrative control and financial liability for roads other than National Highways in the various Union Territories, Sikkim and North East Frontier Agency with effect from the 1st April, 1950. In the case of States previously known as Part 'C' States, which had their own Legislatures, the provision upto the 31st October, 1956 for meeting expenditure on road works chargeable to "Revenue" as well as "Capital", used to be made by the State Governments concerned in their own budget. But with the implementation of the States Reorganisation Act, 1956, with effect from the 1st November 1956, the entire responsibility for the construction, development as well as maintenance of roads other than National Highways in Union Territories, devolves on the Central Government and the required provision has to be made in the Central budget.

Provision is also included in the Central budget for the construction and development of certain roads of special importance—Passi-Badarpur Road in Assam, West Coast Road in Bombay, Mysore and Kerala States, and Dhar-Udhampur Road in Jammu and Kashmir State.

The expenditure ceiling for the Second Plan as tentatively approved by the Planning Commission is Rs. 22·74 crores. A provision of Rs. 2·75 crores has been made in the Budget Estimates 1957-58.

CONSTRUCTION AND DEVELOPMENT OF STATE ROADS OF ECONOMIC OR INTER-STATE IMPORTANCE

A provision of Rs. 10 crores during the last two years of the First Five Year Plan and an additional provision of Rs. 18 crores for expenditure during the Second Five Year Plan on the construction and development of roads other than National Highways of the following categories was approved by the Planning Commission:—

(i) Inter-State roads necessary for ensuring through communications;

(ii) Roads required for opening up new areas to which railway facilities cannot be provided in the near future;

(iii) Roads in border and hilly areas which are either of strategic importance or which can contribute materially to rapid economic development; and

(iv) Roads required for the development of tourist traffic in the country.

A provision of Rs. 2·75 crores has been made in the budget estimate, 1957-58.

CALCUTTA AUTOMATISATION SCHEME

A scheme for replacing the Manual Telephone system of Calcutta by 55,000 automatic lines was sanctioned by the Government in January, 1949 at a cost of Rs. 13·4 crores approximately. Its revised estimated cost

as on 31st March, 1956 is about Rs. 13·69 crores. The actual outlay upto March, 1956 was Rs. 11·35 crores. The amount likely to be spent on it during 1957-58 is Rs. 82·96 lakhs. Eleven exchanges with an equipped capacity of 47,800 lines were cut into service by December 1956 and the balance 7,200 lines are expected to be commissioned by December 1957.

EXPANSION OF BOMBAY TELEPHONE SYSTEM

A Project for expanding the telephone system of Bombay was sanctioned by the Government in May, 1950 at a cost of Rs. 3·17 crores. The revised cost is 3·13 crores. The Project now provides for the installation of 18,000 lines new equipment in the existing exchange Building, recovery of 1,600 lines of old equipment and re-arrangement of 3,375 lines of old equipment. 13,000 lines were cut into service by March, 1956 and another 1,200 lines have been commissioned into service upto September, 1956. The actual expenditure incurred upto March, 1956 is Rs. 259·50 lakhs. Rs. 22·32 lakhs is expected to be spent during 1956-57 and Rs. 10 lakhs has been set apart for next year. The Project is expected to be completed by October, 1957 on the basis of the latest information available regarding the delivery of equipment and stores.

LONG TERM EXPANSION OF BOMBAY TELEPHONE SYSTEM

A Project for the expansion of the Bombay Telephone system to meet the increasing demand for telephone service was approved on 4th April, 1956. The Project provides for the expansion of the capacity of the Bombay Telephone System to 79,700 lines by installing 51,000 lines of new equipment and recovering 13,460 lines of old equipment. The Project was sanctioned in July, 1956 at an estimated cost of Rs. 12·50 crores, involving a recurring expenditure of Rs. 1·83 crores per annum. An annual revenue of Rs. 2·06 crores is anticipated when the additional capacity provided by this Project is utilised. The provision for the current year is Rs. 14·89 lakhs and for the next year Rs. 52·89 lakhs. The work on the Project has been started.

HYDERABAD STATE EXCHANGE EXPANSION SCHEME

A Project to install 2,800 lines in Hyderabad was approved by the Government of Hyderabad at a cost of about Rs. 95 lakhs before the Federal Financial Integration. This Project was subsequently revised and was sanctioned by the Government of India at a cost of Rs. 1·03 crores. The Project provides for the expansion of the telephone system in the twin cities of Hyderabad and Secunderabad. The total expenditure on this Project booked upto 31st March, 1956 is about Rs. 97 lakhs. The provision for this Project for the current year is Rs. 6 lakhs and for the next year about Rs. 0·25 lakhs. Installation of auto equipment commenced in 54-55 and has been completed. Some residual works are expected to be completed by 31st March, 1957.

REPLACEMENT OF THE MADRAS CENTRAL EXCHANGE

Government has sanctioned a project for the expansion of Madras Central Exchange at a cost of Rs. 126 lakhs. The Project envisages installation of 8,000 lines auto exchanges, in replacement of existing 3,500 lines. To house the new exchange, a new building is proposed to be constructed. The land has already been acquired and some portion of

the cable laying work has been done. The expenditure incurred upto 31st March, 1956 is about Rs. 6 lakhs. An amount of Rs. 10 lakhs is expected to be spent during 1956-57 and a provision of Rs. 6·67 lakhs has been made in B.E. 1957-58.

LAYING UNDERGROUND TRUNK CABLE BETWEEN BOMBAY, NEW DELHI AND CALCUTTA

With a view to ensure a more efficient Trunk Service a Project for laying underground trunk cable between Bombay, New Delhi and Calcutta was approved by Government. The Project was sanctioned in August, 1956, at an estimated cost of Rs. 7:95 crores. The Project aims at quicker and reliable telephone service between the principal towns of India by providing a larger number of Telephone channels by means of Carrier Systems, working on underground cables. No expenditure has been incurred on the project upto March, 1956 and the first phase of the Project is expected to be started soon. A sum of Rs. 1·6 lakhs will be spent on some preliminary works during 1956-57 and a provision of Rs. 69·40 lakhs has been made for this Project in B.E. 1957-58

TRANSFER OF BOMBAY TELEPHONE WORKSHOPS TO SANTACRUZ

The Project provides for the transfer of the Telephone workshop from its present location to a new site at Santacruz. The estimated cost of the Project is Rs. 1·17 crores. The new site is expected to be acquired during the current year. A provision of Rs. 10 lakhs has been made in B.E. 1957-58 for a portion of building work expected to be taken up during the next year.

INDIAN TELEPHONE INDUSTRIES (PRIVATE) LTD.

Out of the authorised capital of Rs. 4 crores of the Indian Telephone Industries (Private) Ltd., which is fully paid up, Government of India hold shares to the extent of 89 7 per cent. (Rs. 3·59 crores). The rest of the share capital is held by Government of Mysore and the Automatic Telephone and Electric Company Ltd., England. Loans have also been granted to the Indian Telephone Industries by the Government of India amounting to Rs. 51·84 lakhs upto the end of First Five-Year Plan period (1955-56). A further loan of Rs. 12 lakhs has also been sanctioned to the Company towards their Capital Expenditure Programme during 1956-57, out of total provision of Rs. 50 lakhs to be granted as loan by Government of India during the Second Five Year Plan period. All the loans bear interest at 4½ per cent. per annum. The Company has got a programme of capital expenditure of Rs. 2·18 crores (inclusive of Rs. 50 lakhs by way of loans from the Central Government mentioned above) during the Second Plan period.

Apart from various types of Carrier equipment the Company manufactured during 1955-56, 50,000 telephone instruments and 35,000 exchange lines. During the Second Plan it is proposed to increase the capacity progressively to 65,000 telephone instruments and 45,000 exchange lines per annum, in addition to various types of Carrier and connected equipment. For the current year 1956-57, the Company has got a programme for manufacturing 60,000 telephones and 45,000 exchange lines. A Budget provision of Rs. 30 lakhs was made in 1956-57 for loans to Indian Telephone Industries, but in the light of the resources of the Company

and its latest 'ways and means' position, it was decided to reduce this provision to Rs. 12 lakhs in the Revised Estimates, the payment of Rs. 12 lakhs has already been sanctioned to the Company as loan. For the coming year, 1957-58, the Company has got a Capital Expenditure Programme for Rs. 57 lakhs. Provision of Rs. 12 lakhs is being made in the Budget Estimates for 1957-58 for loans to the Indian Telephone Industries during that year, against the total provision of Rs. 50 lakhs for the Second Plan period.

For the first time the Company declared a dividend of 2½ per cent for the year, 1955-56. The Government of India received as their share dividend amounting to roughly Rs. 9 lakhs. The Company made a net profit of Rs. 25·97 lakhs during 1955-56 as against Rs. 15·54 lakhs during the previous year.

AIR INDIA INTERNATIONAL CORPORATION

The Corporation have been making steady progress. They had placed orders for 3 Super Constellation Aircraft Model 1049-G in 1955. One of the Supar G. was delivered to the Corporation in June, 1956 and the remaining two in December, 1956. During the year, the Corporation extended their Bombay-Singapore service to Sydney, Australia. This new route is being operated on a frequency of one service a week *via* Madras, Singapore and Darwin. Two new Stations *viz*., Damascus and Prague have been introduced on India-U.K. route during the year.

The Corporation have also placed an order with the approval of Government for 3 Boeing 707 Jet Aircraft at an estimated cost of Rs. 11·50 crores this year. Government approval of the project is subject to the condition that not less than 67 per cent. of the total cost is met by the Corporation through foreign loans. A provision of Rs. 1·55 crores has been made in the B.E. 1957-58.

INDIAN AIRLINES CORPORATION

In addition to the 5 Vickers Viscount Aircraft ordered during the year 1955, the Indian Airlines Corporation have placed an order for another batch of 5 Vickers Viscount Aircraft during the current financial year. The aircrafts are expected to be delivered during the course of the year 1957-58. The Aircraft which are four engined and have great passenger appeal with their speed, comfort and safety factors will be used on the main trunk routes. A sum of Rs. 178·91 lakhs which have been provided for in the Budget Estimates of the Corporation for the year for the project, has already been advanced to the Corporation. The Corporation will still require Rs. 420·20 lakhs towards this project during the year 1957-58 and a provision to that extent has been made in the B.E for that year. The financial assistance which the Corporation would require during 1957-58 to meet their other miscellaneous capital expenditure like modification of aircraft, training, surface transport, office accommodation, renovation of booking offices. Miscellaneous equipment, etc., is estimated at Rs. 89·64 lakhs and a provision to that extent has been made in the B.E. for that year. Originally a sum of Rs. 150 lakhs was made in the B.E. for 1956-57 to meet the cash losses of the I.A.C. The actual cash loss of the Corporation is not however likely to exceed Rs. 100 lakhs. A sum of Rs. 85 lakhs has already been advanced to the Corporation to cover their cash losses upto the end of December, 1956 and the balance of Rs. 15 lakhs will be paid to them before the close of the year.

*The Corporation have since been able to raise the foreign loans.

The Indian Airlines Corporation have introduced the following additions and alterations in their services during the course of the current year as indicated below:—

(i) Bombay-Belgaum-Bangalore Service (non-scheduled);

(ii) Mohanbari-Along Service (non-scheduled);

(iii) Inclusion of Bhopal on Madras-Nagpur-Delhi (day service).

(iv) Inclusion of Udaipur on Delhi-Rajkot service; and

(v) Extension of Bombay-Porbander Sector upto Rajkot with a frequency of 4 times a week.

The Corporation also contemplate the operation of the following feeder services during 1957-58:—

(1) Bombay-Baroda-Ahmedabad;

(2) Madras-Hyderabad-Vijayawada; and

(3) Madras-Trichinapalli-Madurai-Trivandrum-Cochin.

MINISTRY OF WORKS, HOUSING AND SUPPLY

HINDUSTAN HOUSING FACTORY

The Hindustan Housing Factory (Private) Limited was incorporated in January, 1953, in pursuance of an Agreement dated the 6th December, 1952, between the Government and Messrs. Basakha Singh Wallenborg Limited. The main object of forming this company was to put to profitable use the fixed assets (valued at over Rs. 50 lakhs) of the old Government Housing (Prefab) Factory.

2. Because of the shortage of working capital and the company's continuing to sustain losses, Government's agreement with Messrs Basakha Singh Wallenborg Limited was terminated at the latter's request and the factory was taken over by Government with effect from the 16th August, 1955.

3. In accordance with the terms of the Government's termination agreement with B.S.W. Ltd., the total losses amounting to Rs. 14,70,876-6-0 incurred by the Company during its working for the period 1st April 1953 to 15th August 1955, have been shared by Government and B.S.W. Ltd in the ratio of 40·60, the Government share of loss, however, being restricted to Rs. 5 lakhs. Of this figure of Rs. 5 lakhs, Rs. 4,12,879-7-0 represents the depreciation charges which Government were to have got from the Company.

4. The Expert Committee which was appointed to examine the future working of the factory and whose recommendations are now being examined by Government have recommended that the Factory should be provided loans to the extent of Rs. 30 to 40 lakhs for use as working capital. The factory has so far been granted loans to the extent of Rs. 29·12 lakhs for the purpose of meeting the liabilities of the previous management and for use as working capital. A provision of Rs. 5 lakhs has been made in the budget estimate 1957-58 to provide additional working capital to the factory on the presumption that the recommendations of the Committee will be accepted.

The Committee of Experts referred to above, have also recommended that certain improvements and additions to the capital assets of the factory involving an expenditure of Rs. 8·75 lakhs should be made. Since

no decision on the recommendations of the Committee has so far been taken, a token provision of Rs. 1 lakh has been made in the budget estimates 1957-58 on this account.

5. The working of the factory during its financial year 1st August 1955 to 31st July 1956 shows a marked improvement over the state of affairs which existed before the factory was taken over by Government. Thus, in the pre-stressed and precast Concrete Departments the Factory executed orders to the extent of Rs. 13·54 lakhs as against orders of the same value under the previous management spread over a period of 2 years and 4 months. In the Woodwork Department the factory executed orders worth Rs. 14 lakhs during the year and orders worth a similar amount are in hand which should keep the factory busy till the end of March, 1957. In the Foam Concrete Department, the factory executed orders worth Rs. 2·3 lakhs during the year as against orders worth Rs. 1·23 lakhs executed over a period of 2 years and 4 months by the previous management. The Balance Sheet of the factory ending 31st July, 1956, showed a loss of Rs. 53,684-13-3. It may be added, however, that the factory had incurred a loss of Rs. 59,498-10-3 for the period from 1st August 1955 to 15th August 1955 under the previous management.

ASHOKA HOTELS LTD.

In pursuance of the Government's decision to construct a hotel in the Diplomatic Enclave, New Delhi, a public limited company entitled "Ashoka Hotels Ltd." was floated in October 1955 with H.H. the Jamsaheb of Nawanagar and his associate Shri H. L. Chadda as the promoters and the Government participating to a limited extent. The authorised capital of the company was fixed at Rs. 1 crore and the Board of Directors was expected to issue debentures with the approval of the Government for a further sum of Rs. 1 crore. The Government acquired preference shares in the share capital of the company to the extent of Rs. 26 lakhs and provision was also made in the Agreement for the advance of a loan of Rs. 25 lakhs by Government at 5 per cent. per annum interest for the working capital. The management of the company vested in a Board of Directors with two permanent Government Directors and all matters involving policy affecting the financial matters, were to be decided by the Board of Directors with the prior approval of the Government. The General Manager of the company was also to be appointed with the approval of the Government.

It was expected that in addition to the sum of Rs. 26 lakhs subscribed by the Government and Rs. 16 lakhs by the Promoters, the latter would be able to persuade their friends and associates to provide the balance of the capital required. This expectation, however, did not materialise. Meanwhile, the loan of Rs. 25 lakhs as provided in the Agreement was given to the Company in April 1956.

As the construction work had started and adequate accommodation had got to be made available in time for the U.N.E.S.C.O. session in November 1956, and the Company was not in a position to meet the commitments it had already entered into, the Government decided to take over the entire project.

A further loan of Rs. 1 crore has been granted to the Company in lieu of debentures for Rs. 1 crore which it was originally expected to issue A provision of Rs. 58 lakhs has been made in R.E. 1956-57 for purchase of remaining shares of the Company.

SUBSIDISED INDUSTRIAL HOUSING SCHEME

The Subsidised Industrial Housing Scheme came into operation in September, 1952. It envisages construction of houses for Industrial Workers governed by the Factories Act, 1946 and Mine Workers (other than those employed in Coal and Mica Mines) governed by the Mines Act, 1952 and who are in receipt of wages *not* exceeding Rs. 350 per month, through the Agency of:—

(i) State Governments or Statutory Housing Boards,
(ii) Private Employers, and
(iii) Registered Co-operative Societies of Industrial Workers.

Financial assistance is permissible on the basis of the standard cost of different types of tenements, subject to the overall ceiling of (i) Rs. 2,700 (minimum) and Rs. 3,490 (maximum), per tenement, for all places, which may be increased by Rs. 200 towards the cost of land and development in the towns with a population of over three lakhs, outside Bombay and Calcutta; and Rs. 4,000 (minimum) and Rs. 5,430 (maximum) (which may be raised to Rs. 4,500 and Rs. 5,930 respectively, in special cases), per tenement, for Calcutta and Bombay, at the rates shown below:—

Construction Agencies	Loan	Subsidy
(a) State Governments	50%	50%
(b) Private Employers	37½%	25%
(c) Co-operative Societies	50%	25%

The rate of interest on loan is 4½ per cent. per annum for State Governments and co-operative societies, and 4¾ per cent. for private employers, The loans granted under the scheme are recoverable in 25 years in the case of State Governments and co-operative societies, and in 15 years in the case of private employers. The payment of sanctioned financial assistance is made in suitable instalments related roughly to the progress of construction.

Since the introduction of the Subsidised Industrial Housing Schemes in September, 1952, the Government of India had sanctioned financial aid to the extent of Rs. 22·64 crores (Rs. 11 81 crores as loans and Rs. 10 83 crores as subsidies), for the construction of 79,678 tenements, upto the financial year 1955-56. The following table shows the extent of financial assistance sanctioned for the various construction agencies, during the period September, 1952 to March, 1956:—

Construction Agencies		Assistance sanctioned		No. of tenements Sanctioned
		Loan	Subsidy	
		Rs.	Rs.	
A.—State Govts. . .	1952-53 . .	2,83,12,595	2,53,12,595	17,736
	1953-54 . .	1,13,87,990	1,00,88,390	7,877
	1954-55 . .	2,76,47,725	2,75,91,825	18,800
	1955-56 . .	4,02,80,197	3,78,30,197	23,786
	TOTAL .	10,76,28,507	10,08,23,007	68,199

Construction Agencies		Assistance sanctioned		No. of tenements Sanctioned
		Loan Rs.	Subsidy Rs.	
B.—Private Employers	1952-53	13,65,592	9,10,394	1,428
	1953-54	15,78,373	17,65,509	2,912
	1954-55	38,67,037	25,07,893	3,810
	1955-56	19,59,625	13,89,517	2,011
	TOTAL	87,70,627	65,73,313	10,161
C.—Co-operative Societies	1952-53	..	..	..
	1953-54	3,91,710	2,75,520	438
	1954-55	4,23,725	2,11,862	321
	1955-56	6,81,990	4,43,041	559
	TOTAL	16,77,425	9,30,423	1,318
	GRAND TOTAL	11,80,76,559	10,83,26,743	79,678

During the current financial year a sum of Rs. 2·44 crores (Rs. 1·18 crores as loan and Rs. 1·26 crores as subsidy) has been sanctioned for the various constructing agencies upto December, 1956, for the construction of 9,767 tenements as shown below:—

	Loan Rs.	Subsidy Rs.	No. of tenements
(a) State Governments	97,09,090	93,99,840	5,945
(b) Private Employers	78,54,180	28,51,085	3,485
(c) Co-operative Societies	5,68,336	2,84,168	337
TOTAL	1,81,31,606	1,25,35,093	9,767

The work of construction on the sanctioned projects is in progress and about 44,000 houses were completed in all respects upto March, 1956 and a good number of the remaining tenements is in the progress of completion.

As the disbursement of financial aid under the Subsidised Industrial Housing Scheme, mainly depends on the progress of construction achieved; and also on the completion of certain formalities viz., execution of Agreement, mortgage deed etc. in the case of private employers, a major portion of the amount sanctioned in a particular year actually becomes due for payment in subsequent years. Therefore, on the basis of the existing commitments and those expected to be made in respect of the projects at present under consideration, a provision of Rs. 6·08 crores (Rs. 2·81 crores as loans and Rs. 3·27 crores as subsidies) has been made in the revised estimates for 1956-57 as against the budget grant of Rs. 7·95 crores for 1956-57. A provision of Rs. 4·65 crores (Rs. 2·65 crores as loans and Rs. 2·00 crores as subsidies) has been made in the budget estimates for 1957-58, for Industrial Housing Scheme.

LOW INCOME GROUP HOUSING SCHEME

The Low Income Group Housing Scheme was introduced in November, 1954 and envisages cheap credit facilities, at convenient and reasonable terms, to the vast majority of people of India, with low incomes, to build and own their houses. Financial assistance under the scheme is payable, through State Governments, in the form of long term loans at about 4½ per cent. interest to individuals and co-operatives of low-income groups (*i.e.* persons with an annual income not exceeding Rs. 6,000) and repayable in annual equated instalments over a period of about 30 years. Loan assistance is, however, restricted to 80 per cent. of the cost of the house, including land, subject to a maximum of Rs. 8,000. The scheme also provides for:—

(i) the grant of loans by the Centre to State Governments for the acquisition and development of land, at about 3¾ per cent. interest, repayable in 3 years. The plots of land so developed are to be sold, within this period, to prospective builders on no-profit no-loss basis;

(ii) the construction of houses by the State Government either themselves or through any other agency, designated by them, but all such houses are to be sold, either outright or on hire purchase basis, to persons in the low-income groups;

(iii) the grant of assistance to local bodies, co-operative tenancy societies, non-governmental but recognised health institutions and hospitals, educational trusts and other charitable institutions for constructing houses for allotment to their low-paid staff on payment of rent. The charged rent is not to include any element of profit. Loan assistance in case of local bodies is, however, restricted to Rs. 2,800.

Assistance is payable in suitable instalments, related to the progress of construction.

Provision for a sum of Rs. 7 2 crores was made in 1956-57 for advancing under the scheme, and, out of this, a sum of Rs. 2 3 crores was actually disbursed to State Governments till the end of December, 1956. A provision of Rs. 5 crores has been made in the budget estimates 1957-58.

SLUM CLEARANCE SCHEME

Allocation of Rs. 20 crores has been made by the Planning Commission for Slum Clearance Scheme during the Second Plan period. This figure of Rs. 20 crores includes the amount of Rs. 5 crores (being 25 per cent. of the cost of this scheme) which has to be found by the States as a matching subsidy to that of the Centre. The Central contribution in this scheme will, therefore, be Rs. 15 crores (Rs. 10 crores as loan and Rs. 5 crores subsidy).

It has not been possible so far to spend any amount for the reason that the scheme which was finalised only in May, 1956 calls upon the State Governments to complete a number of formalities before coming up for Central assistance. Ordinarily the average yearly expenditure under this scheme during the remaining 4 years of the Plan should be of an order of over Rs. 3·5 crores but as the execution of the sanctioned projects may not be so speedy in the initial stages and as payments are to be related to progress of work, a provision of Rs. 1 crores only has been made in the next year's budget. Out of this amount, Rs. 90 lakhs

would be advanced as loan (repayable in 30 equated instalments) and the remaining Rs. 10 lakhs as subsidy.

PLANTATION LABOUR HOUSING SCHEME

Under this scheme a total allocation of Rs. 2 crores exists in the Second Five Year Plan. This scheme has already been circularised to the concerned States and preliminary work in connection with its implementation has already been taken in hand by most of the States. Against a total provision of Rs. 200 lakhs a tentative demand of Rs. 123 lakhs has already been received from these States.

In this case also the States have to complete several formalities before launching the scheme, and, as such, it has not been possible to make any disbursements under this scheme so far. However, disbursements are likely to commence in the current financial year.

On a *pro-rata* basis, a provision of Rs. 75 lakhs ought to have been made in the next year, but as the execution of the schemes is expected to be rather slow in the initial stages and as disbursements will relate to the progress of work, a small provision of Rs. 25 lakhs has been made in the budget for 1957-58.

RURAL HOUSING SCHEME

A composite scheme for the setting up of pilot projects of village housing is being drawn up in consultation with the Planning Commission and other concerned Ministries. The total allocation for rural housing in the Second Plan is Rs. 10 crores but as a formal scheme has not yet been drawn up it has not been possible to incur any expenditure for this purpose. It is, however, hoped that the scheme would come into operation during 1957-58.

Ordinarily a sum of Rs. 2·5 crores should have been provided for during the next financial year but as the scheme, even if it is introduced early next year, would only be in the initial stages, a provision of Rs. 50 lakhs only has been made in the next year's budget.

DEPARTMENT OF ATOMIC ENERGY

INDIAN RARE EARTHS (PRIVATE) LTD.

This company was set up in August, 1950 jointly by the Governments of India and Kerala with an authorised capital of Rs. 1 crore. The Government of India has subscribed 55 per cent. of the share capital, the balance of 45 per cent. being subscribed by the Government of Kerala. Work on the construction of the plant started in March, 1951, and the plant went into production in July, 1952. The plant is designed to treat 1,500 tons of monazite per year and to produce therefrom about 1,500 tons of rare earths chlorides and carbonates and some 1,500 to 1,800 tons of sodium phosphate as a by-product. It has since been decided to increase the capacity of the plant from 1,500 to 3,000 tons of monazite per annum in order to obtain the requisite quantity of uranium for the reactor programme of the Department. The Board of Directors has since decided to call up the remaining share capital amounting to Rs. 20 lakhs. The Government of India's share will be about Rs. 11 lakhs, which amount has been provided in the revised estimates for 1956-57.

TRAVANCORE MINERALS (PRIVATE) LTD.

It has been decided to nationalise the mineral sand separation industry in Kerala State in two stages. A new company called the Travancore Minerals (Private) Limited has been registered on 30th of October, 1956. This company will immediately take over all sand separation undertakings with the exception of Messrs. Hopkins & Williams (Travancore) Ltd. The authorised capital of the company is Rs. 1 crore which is to be equally shared between the Governments of India and Kerala. A provision of Rs. 25 lakhs has been made in the revised estimates for 1956-57 to meet the Government of India's liability on account of issued share capital.

THORIUM URANIUM PLANT

This plant has been set up at Trombay to process the residual cake left over from monazite after its rare earths and phosphate contents have been extracted in the monazite processing plant at Alwaye. The cake contains thorium in the form of hydroxide and a small amount of uranium. The capacity of the plant has since been increased nearly five-fold in order to fulfil commitments in respect of supply of thorium nitrate, and also to feed the proposed uranium processing plant. The entire production of the plant is at present being utilised to fulfil international commitments. The approved cost of the plant is Rs. 60·73 lakhs against which an expenditure of Rs. 58·01 lakhs has been incurred upto the end of March 1956. The balance of Rs. 2·72 lakhs will be incurred during 1956-57, and provision for this expenditure has been included in the revised estimates for that year.

LAND FOR THE ATOMIC ENERGY ESTABLISHMENT

On the recommendation of the Atomic Energy Commission, an Atomic Energy Establishment has been set up, and an area of about 2,600 acres at Trombay (about 13 miles from Bombay) is proposed to be acquired. Out of this, about 1,360 acres have already been acquired. An expenditure of Rs. 10 lakhs is likely to be incurred during 1956-57, and a further expenditure of Rs. 10 lakhs is likely to be incurred during 1957-58.

URANIUM METAL PROCESSING PLANT

It is essential that India should have her own uranium and thorium and produce her own fissile materials. India is the only country in the whole of Asia and Africa which is in a position to do so without external aid. For this purpose, it has been decided to set up a Uranium Processing Plant at a cost of Rs. 27 lakhs. A provision of Rs. 20 lakhs was included in the budget estimates for meeting expenditure on setting up of the plant. Some of the equipment required for setting up of the plant has to be imported from abroad. Expenditure to the extent of Rs. 7 lakhs will be incurred during 1956-57 and a further expenditure of Rs. 15 lakhs is envisaged during 1957-58, and provisions have been made accordingly.

BUILDINGS AND ROADS

Various laboratories and workshops, etc. of the Atomic Energy Establishment will be located at Trombay where the necessary land is being acquired. The total cost of buildings etc. at Trombay is estimated at about Rs 2 crores. A provision of Rs. 15 lakhs on the construction of roads and buildings at Trombay has been made in the revised budget estimates for the current year. The provision made in the budget estimates for 1957-58 on this account is Rs. 22·4 lakhs.

REACTORS

Swimming Pool Reactor "Apsara."

India's first Atomic Reactor went into operation on the 4th August 1956. It was formally declared open by the Prime Minister on 20th January, 1957 when it was named "Apsara". This reactor was designed and built entirely by Indian personnel. The necessary fuel elements for the reactor were provided by the United Kingdom Atomic Energy Authority. The total cost of the reactor, excluding loan charges for the fuel element, is about Rs. 26 lakhs. An expenditure of Rs. 5 lakhs was incurred during 1954-55 on the purchase of specialised equipment and stores for the reactor control system. An expenditure of Rs. 9 59 lakhs was incurred on the project upto the end of March, 1956. The remaining expenditure of Rs. 11·4 lakhs will be incurred during 1956-57 and this amount has accordingly been provided in the revised estimates for that year.

Canada-India Reactor.

The Government of Canada offered India under the Colombo Plan a high-power atomic energy research and experimental reactor similar to the well known N.R.X. reactor at the Canadian Government Atomic, Energy Establishment, Chalk River, Canada. The Government of India have accepted the offer. Under the Agreement signed between the two Governments, the Government of Canada is to bear all external costs amounting to about Rs 3 59 crores, while India is to bear all "internal" costs amounting to Rs 3·15 crores. The construction of the reactor is making steady progress and the project is expected to be completed by 1958. The reactor when completed will enable India to undertake advanced engineering research and material testing connected with more advanced types of power reactors. It will also enable experiments on the conversion of thorium into fissile uranium and will give India a prominent position in the field of Atomic Energy. On the Indian side, it is estimated that an expenditure of Rs 1·5 crores will be incurred during 1956-57 and the balance of Rs. 1·65 crores during 1957 58. Provisions have accordingly been made in the revised estimates for 1956-57 and budget estimates for 1957-58.

It is also proposed to set up a Zero Energy Reactor (Zerlina) to enable studies in lattice spacing, fuel elements and design etc The cost of the reactor will be about Rs 15 to 20 lakhs excluding the cost of heavy water and of fabricated natural uranium. The heavy water is proposed to be obtained from U.S.A. before the close of the current financial year. A provision of Rs. 40 lakhs (Rs. 20 lakhs for materials and equipment and Rs. 20 lakhs for fabricated natural uranium) has been made in the budget estimates for 1957-58.

A provision of Rs. 20 lakhs has been included in the budget estimates for 1957-58 for meeting expenditure on the various new projects, such as (i) production of atomically pure graphite for moderators, (ii) setting up of a plant for producing zirconium and (iii) setting up of benefication plants for raising the contents of low grade uranium ore, etc.

SECTION IV

ECONOMIC DATA

SECTION IV

INTRODUCTION

The statistical data presented in this Section are designed to depict, within a short compass, the developing economy of the country as a whole. The scope of the Section has been extended this year by inclusion of new statements on security prices, money supply and quantum and unit value of imports and exports. For balance of payments, the existing statement on current transactions by categories has been modified and improved and a new statement giving the regional pattern of the payments position on current account has been added. Statements I to XIV deal with the main aspects of the internal economy, namely agricultural production, industrial production, power production, wholesale commodity prices, consumer prices, security prices, currency, money supply and banking. Statements XV to XIX deal with foreign trade and external payments.

The following paragraphs briefly describe the tendencies disclosed by the figures.

Agricultural Production (Statement I).—The index based on the currently available crop estimates for 1955-56 (which are subject to revision) and those for 1954-55 (which are only partially revised) would indicate a decline of 2·3 per cent in the overall agricultural production during 1955-56 as compared to 1954-55. The foodgrain index fell by 2·7 per cent and that of non-foodgrain crops by 1·4 per cent. The corresponding changes in individual group indices were as follows:

Groups	Percentage rise (+) or fall (−) during 1955-56 over 1954-55
Kharif cereals	−1·3
Rabi cereals	−4·9
Pulses	−7·2
Oilseeds	−11·5
Fibres	+6·1
Plantation crops	+4·1
Miscellaneous crops	+1·7

Reviewing the position over a longer period, a record rise of 17·8 per cent in the index of foodgrain production during 1953-54 as compared to 1952-53 was followed by a fall of 3·9 per cent during 1954-55 and 6·5 per cent during 1955-56 as compared to the 1953-54 level. The production of non-foodgrain crops improved by only 0·9 per cent during 1953-54 but 16 per cent during 1954-55 over 1952-53. This was followed by a small decline of 1·4 per cent during 1955-56 compared to the 1954-55 level. The rise in the over-all index, compared to 1952-53, was 12·1 per cent during 1953-54, 14·1 per cent during 1954-55 and only 11·5 per cent during 1955-56. On average the rise during the three years ending 1955-56 was 12·5 per cent as compared to 1952-53 and 16·7 per cent as compared to the average for the three years ending 1952-53.

Industrial Production (Statement II).—Industrial production continued its upward trend. The production during 1956 was about 19·5 lakh tons for sugar, 38·7 lakh cwts. for paper, 5,300 million yards for cotton piece-goods, 10·9 lakh tons for jute manufactures, 13 lakh tons for finished steel and 49·3 lakh tons for cement, representing a rise of 20·8, 4·6, 4·2, 6·4, 4·7 and 9·8 per cent respectively over 1955.

Coal and Power Production (Statements II and III).—The production of coal and power also moved up. The raisings of coal during 1956 totalled 39·4 million tons, or 3·1 per cent higher as compared to the

previous year. The improvement in the case of electricity was more pronounced, the total generation during 1956 being about, 9,600 million kwh., representing a rise of 13·4 per cent over 1955.

Wholesale Prices (*Statements IV and V*).—The upward trend in prices, which characterised the wholesale commodity markets during the last seven months of 1955, generally continued during the whole of 1956. The general index of wholesale prices (base: year ended August 1939=100), which averaged to 402·6 in April 1954, receded gradually to 342·0 in May 1955, the net decline during this period being of the order of 15·1 per cent. From June 1955 onwards, the index began to rise steadily and averaged to 368·4 in December 1955, a level almost similar to that reached in May 1952 following the recession after the Korean war boom. With prices continuing their upward course, the general index advanced to 387·3 in March 1956 and 397·9 in June 1956, the latter indicating an overall price level similar to that at the commencement of the recession in May 1954 or to that immediately before the Korean war in June 1950. Further upswing in prices in the latter half of 1956 took the index to a level higher than at any time in recent years except during the period of Korean boom. The index at 428·8 in December 1956 was 8·4 per cent higher as compared to June 1950 (pre-Korean war level), 6·5 per cent higher as compared to April 1954 (pre-recession level), 25·4 per cent higher as compared to May 1955 (the close of the declining phase) and 16·4 per cent higher as compared to December 1955 (the corresponding month of the previous year). Taking the average for the year as a whole, the rise in 1956 was 13·4 per cent over 1955, 4·3 per cent over 1954, 2·4 per cent over 1953 and 4·2 per cent over 1952.

For individual commodity groups, the declining phase which generally started in May 1954 was not of the same duration. It lasted upto May 1955 for 'food articles', upto June 1955 for 'industrial raw materials' and upto September 1955 for 'semi-manufactures' and 'manufactures'. The rising phase which followed generally continued upto December 1956 for all groups except 'manufactured articles' which recorded a slight decline after September 1956. Another notable feature was that unlike other groups, for which price-fluctuations in both the phases were generally large, the prices of 'manufactured articles' generally moved within narrow range. The net percentage rise or fall of different group indices in December 1956 as compared to different levels in the past is shown below:

Groups	Percentage rise (+) or fall (—) in December 1956 as compared to			
	December 1955	The close of declining phase	Pre-recession level (April 1954)	Pre-Korean war level June 1950)
Food articles	+27·9	+49·9	+8·5	+2·8
Industrial law materials	+18·0	+32·5	+9·5	+5·4
Semi-manufactures	+20·5	+28·5	+15·2	+24·4
Manufactures	+3·7	+4·9	+1·6	+11·3
General index	+16·4	+25·4	+6·5	+8·4

As would be seen from the above table, although the prices of 'food articles' and 'industrial raw materials' recorded large increase during the

current rising phase, a major portion of that increase was in the nature of a correction of the previous decline. On the other hand, only a smaller portion of the recent rise in 'semi-manufactured articles' was by way of regaining lost ground. As regards 'manufactured articles', although the prices remained relatively stable during last three or four years, the general level of prices was much higher than that before the Korean war. The following table shows the percentage rise or fall in the average levels of prices of individual groups during 1956 over those during 1955 and 1954:

Groups	Percentage rise (+) or fall (–) during 1956 (avg.) over.	
	1955 (avg.)	1954 (avg.)
Food articles	+22.5	+4·1
Industrial law materials	+18·6	+9·1
Semi-manufactures	+16·9	+9·6
Manufactures	+2·3	+1·7
General index	+13·4	+4·3

There was a slight decline in the general level of prices during the first quarter of 1957 as compared to the preceding quarter.

Consumer Prices, Working Class (Statement VI).—Although their upward movement was occasionally interrupted, the consumer price indices (working class) recorded, on the whole, considerable net increase during 1956. The all-India consumer price index (base: 1949=100), which moved up from 92 in May 1955 to 98 in December 1955, recorded a slight decline during next two months but resumed its upwards course from March 1956 to touch 109 in August 1956. Then, after some narrow movements on either side, the index stood again at 109 in December 1956, representing a rise of 11 per cent compared to December 1955 and 18 per cent compared to May 1955. Taking the average for the year as a whole, there was a rise of 9 per cent in 1956 over 1955 as compared to a decline of 5 per cent in 1955 over 1954. As regards indices for individual industrial centres, the average for 1956 showed a rise of about 14 per cent at Kanpur, 12 per cent at Madras, 11 per cent at Delhi, 10 per cent at Nagpur, 8 per cent at Calcutta and about 4½ per cent at Bombay as compared to the average for 1955.

During the first quarter of 1957, the general level of consumer prices showed a slight declining tendency. The all-India index averaged to 107 as compared to 109 in the preceding quarter.

Security Prices (Statements VII to IX).—The gilt-edged market ruled steady to firm during the first half of 1956 with prices fluctuating within narrow range. Later on, the market developed an easy tendency. The all-India combined index of government and semi-government securities (base: 1949-50=100), which stood at 91·0 in December 1955 and 91·2 in June 1956, declined gradually to 89·7 in December, the average for the year 1956, however, remaining unchanged at the previous year's level of 90·8.

The industrial share market evinced an easy trend during the first two months but, later on, firmed up. In September, the prices again resumed a downward course. The all-India combined index of variable dividend industrial securities (base: 1949-50=100) fell sharply from 130·6 in

December 1955 to 121·0 in February 1956 but recovered gradually to 127·4 in August to recede again to 1117·4 in December, registering thus a net decline of 10·1 per cent over the year. Even then, the average level of the index during 1956 was 3·6 per cent higher than during 1955. As regards the individual group indices, the net decline between December 1955 and December 1956 was 31·6 per cent in jute manufactures, 19·3 per cent in iron and steel, 16 per cent in paper, 10·2 per cent in plantations, 8·6 per cent in coal, 7 per cent in cement and 6·4 per cent in sugar and breweries. The group index for cotton, woollen and silk manufactures showed little change.

During the first quarter of 1957, the gilt-edged market ruled steady but the variable dividend industrial securities recorded further decline.

Currency and Banking (Statements X to XIV).—The net expansion of money supply during 1956 (*i.e.* between last Friday of 1955 and last Friday of 1956) was much smaller than during 1955 (*i.e.* between last Friday of 1954 and last Friday of 1955). The total currency circulation at Rs. 1,538 crores at the end of 1956 showed a net increase of 7 per cent over the year, as compared to the increase of 13 per cent over 1955. With the public, the amount of currency expanded by 7·2 per cent to Rs. 1,485 crores and deposit money by 4·8 per cent to Rs. 693 crores during 1956, the corresponding expansion during 1955 being 13·2 per cent and 8·8 per cent respectively.* The following table would show the comparative position:—

Money supply with the public	As at the end of 1956 (last Friday)	Net expansion			
		During 1956		During 1955	
	Rs. crores	Rs. crores	*Per cent*	Rs. crores	*Per cent*
Currency	1,485·4	99·5	*7·2*	161·4	*13·2*
Deposit money	693·3	32·0	*4·8*	53·7	*8·3*
TOTAL . .	2,178·7	131·5	*6·4*	215·0	*11·7*

During the year, the Reserve Bank's holdings of government securities advanced by Rs. 258 crores to Rs. 847 crores but its holdings of foreign exchange assets declined by Rs. 205 crores to Rs. 530 crores. While government balances with the Reserve Bank at Rs. 65 crores at the year-end were practically the same as a year ago, loans and advances to governments by the Reserve Bank at Rs. 7·3 crores showed a net rise of Rs. 3·6 crores. The following table would show the net changes during 1956 compared to those during 1955 in the respective positions:—

	As at the end of 1956 (last Friday)	Net increase (+) or decrease (—)			
		During 1956		During 1955	
	Rs. crores	Rs. crores	*Per cent*	Rs. crores	*Per cent*
Holdings of Government securities of the Reserve Bank	847·2	+258·0	*+43·8*	+96·1	*+19·5*
Holdings of foreign exchange assets of the Reserve Bank . .	529·9	—205·3	*—27·9*	+4·4	*+0·6*
Government balances with the Reserve Bank	65·2	+0·6	*+0·9*	—7·0	*—9·8*
Loans and advances to governments by the Reserve Bank . . .	7·3	+3·6	*+98·6*	+2·0	*+119·2*

Scheduled bank credit ('advances' and 'inland and foreign bills purchased and discounted'), which amounted to Rs. 592 crores at the end of October 1955 (*i.e.* immediately before the busy season), recorded a sharp rise of Rs. 177 crores by the end of May 1956 as compared to the rise of Rs. 94 crores during the corresponding period of 1954-55. There was a seasonal decline of Rs. 34 crores during June to August 1956 followed by an expansion of Rs. 54 crores during the next four months, to touch Rs. 789 crores at the end of December 1956. Over the year 1956, the net rise was Rs. 159 crores or 25 per cent as compared to the rise of Rs. 92 crores or 17 per cent over 1955. The corresponding increase in net deposit liabilities of scheduled banks during 1956 being only about Rs. 77 crores or 7·5 per cent (*i.e.* from Rs. 1,024 crores to Rs. 1,101 crores), the credit-deposits ratio advanced from 62 per cent at the end of 1955 to 72 per cent at the end of 1956. The excess of additional credit over additional deposit liabilities was offset partly by the increase of Rs. 49 crores in borrowings from the Reserve Bank and the State Bank and partly by the reduction of Rs. 28 crores in cash in hand, balances with the Reserve Bank and investments in government securities. As a result, the ratio of scheduled bank cash balances (including balances with the Reserve Bank) to net deposit liabilities declined from about 10 per cent at the end of 1955 to a little over 8 per cent at the end of 1956. The corresponding decline in the ratio of scheduled bank holdings of government securities to net deposit liabilities was from 37 per cent to 33 per cent. Another important trend noticeable was the gradual decline of the ratio of demand liabilities to total deposit liabilities from about 61 per cent at the end of 1954 to 59·5 per cent at the end of 1955 and 58·5 per cent at the end of 1956. The following table compares the important changes during 1956 with the corresponding changes during 1955:—

	As at the end of 1956 (last Friday)	Net increase (+) or decrease (—)			
		During 1956		During 1955	
	Rs. crores	Rs. crores	*Per cent*	Rs. crores	*Per cent*
Net deposit liabilities of scheduled banks	11,00·7	+76·6	*+7·5*	+92·0	*+9·9*
Scheduled bank borrowings from the Reserve Bank and State Bank	86·8	+49·3	*+131·3*	+25.2	*+205·2*
Scheduled bank credit	788·6	+158·6	*+25·2*	+91·6	*+17·0*
Cash in hand and balances with the Reserve Bank	90·5	—8·6	*—8·7*	—4·6	*—4·5*
Scheduled bank holdings of government securities	364·4	—19·3	*—5·0*	+35·9	*+10·*

The total cheque clearances through the clearing houses in India improved from Rs. 7,819 crores during 1955 to Rs. 8,441 crores during 1956.

Over the busy months of the first quarter of 1957, there was a net expansion of Rs. 123 crores in money supply, Rs. 159 crores in the Reserve Bank's holdings of rupee securities and Rs. 111 crores in scheduled bank credit as compared to the expansion of Rs. 137 crores, Rs. 137 crores and Rs. 131 crores respectively during the corresponding busy months of 1956. The Reserve Bank's holdings of foreign exchange assets declined further by Rs. 3 crores.

Foreign Trade (Statements XV to XVII).—During 1956, there was a large adverse balance in India's merchandise trade as a result of a rise of about Rs. 142 crores in the total value of imports and a decline of about Rs. 3·5 crores in the total value of exports. The increase in the import value was due almost entirely to the rise in the quantum, particularly in the categories of certain capital goods. Prices showed only a small advance.

Balance of Payments (Statements XVIII and XIX).—During the year 1956, India's external payments accounts registered a deficit on current account of Rs. 206·2 crores as compared with a surplus of Rs. 40·3 crores during 1955. This was made up of a surplus of Rs. 4·5 crores in the first quarter and large deficits of Rs. 44·5 crores, Rs. 81·4 crores and Rs. 84·8 crores in the second, third and fourth quarters, the position in the corresponding quarters of 1955 being a surplus of Rs. 24·9 crores, Rs. 0·5 crore and Rs. 16·2 crores in the first, second and fourth quarters respectively and a deficit of Rs. 1·3 crores in the third quarter. The large deficit of Rs. 210·7 crores during the last three quarters of 1956 was mainly due to considerable increase in the volume of merchandise imports, the greater part of the increase being accounted for by imports of capital goods.

India has normally a deficit on merchandise trade and a surplus on 'invisibles'. An overall deficit on current account, therefore, represents the excess of deficit on merchandise trade over surplus on 'invisibles'. The total surplus on 'invisibles' during 1956 amounted to Rs. 141·3 crores as compared to Rs. 116·5 crores during 1955. Of this, the net receipts from 'donations' amounted to Rs. 81·1 crores and from other 'invisibles' to Rs. 60·2 crores, the corresponding figures for 1955 being Rs. 69·6 crores and Rs. 46·9 crores respectively.

Region-wise, by far the largest deficit on current account during 1956 was with the OEEC countries, namely Rs. 171·9 crores. On the other hand, there was a current surplus of Rs. 9·8 crores with the dollar area during the same period. With the sterling area and the rest of the world, the current deficit was Rs. 25 crores and Rs. 19·1 crores respectively.

Summary.—The year 1956 was marked, upon the whole, by a further advance in industrial output, an overall decline in agricultural production (1955-56) accompanied by a pronounced rise in wholesale and consumer price levels, a decline in the rate of expansion of money supply in spite of increased expansion of bank credit, a substantial rise in the volume of imports and consequent decline in foreign exchange assets.

STATEMENT I.—*Index Numbers of Agricultural Production*

(Base: Crop Year ending June 1950=100)

	Foodgrains						Other Crops				
	Cereals (1)			Pulses (2)			Oil Seeds (3)		Fibres (4)		
	Rice	Wheat	Total Cereals	Gram	Total Pulses	Total Food-grains	Ground-nuts	Total Oil-seeds	Cotton	Jute	Total Fibres
1	2	3	4	5	6	7	8	9	10	11	12
Weights	**35·3**	**8.5**	**58.3**	**3·7**	**8·6**	**66·9**	**5·7**	**9·9**	**2·9**	**1·4**	**4·5**
1950-51	87·9	101·1	90·3	98·0	91·7	90 5	101·4	98·5	110·7	106·3	108·6
1951-52	90·1	93·9	91·2	88·2	90·3	91·1	93·0	97·4	119·2	151·4	128·3
1952-53	96·8	121·7	101·4	109·2	98·8	101·1	85·3	91·9	121·0	148·6	128·4
1953-54	118·6	120·0	120·1	125·4	112·0	119·1	100·3	104·7	51·8	100·0	132.1
1954 55†	150.5	133·7	114·0	142·2	117·3	114·4	122·1	21·7	163·1	94·7	141·2
1955-56*	109·6	127·1	111·7	128·3	108·9	111·3	112·5	107·7	154·3	133·8	149·8

N. B.—For footnotes, see next page

STATEMENT I.—*Index Numbers of Agricultural Production*—contd.
(Base : Crop Year ending June 1950=100)

	Other Crops—*contd.*								
	Plantation Crops				Miscellaneous (5)				
	Tea	Coffee	Rubber	Total Plantation Crops	Sugarcane	Tobacco	Total Miscellaneous	Total Other Crops	General Index
1	13	14	15	16	17	18	19	20	21
Weights . . .	**3·3**	**0·2**	**0·1**	**3·6**	**8·7**	**1·9**	**15·1**	**33·1**	**100·0**
1950-51	103·8	112·3	93·8	104·0	113·7	97·3	110·3	105·9	95·6
1951-52	109·6	112·7	94·4	109·4	122·8	78·0	114·0	110·5	97·5
1952-53	115·4	125·9	106·1	115·7	101·6	91·3	101·5	103·8	102·0
1953-54	100·6	146·5	131·8	104·0	89·5	101·5	97·4	104·7	114·3
1954-55†	110·7	148·1	127·6	113·2	116·7	93·9	115·0	120·4	116·4
1955-56*	114·2	169·9	133·5	117·8	118·7	99·5	116·9	118·7	113·7

(1) Rice, Jowar, Bajra, Maize, Ragi, Small Millets, Wheat and Barley.
(2) Gram, Tur and other Pulses.
(3) Groundnut, Sesamum, Rape and Mustard, Linseed and Castorseed.
(4) Cotton, Jute a d Mesta.
(5 Sugarcane, Tobacco, Potato, Pepper, Chillies and Ginger.
*Subject to revision.
†Partially revised.

Source : Ministry of Food and Agriculture.

STATEMENT II.—*Industrial Output*

M onthly average or calendar months

	Coal Raisings Tons (000)	Iron & Steel (finished) Tons (000)	Cotton Manufacture (Piecegoods) Yards (Millions)	Jute Manufacture Tons (000)	Sugars Tons (000)
1950	2,666	82·7	305·4	69·7	86·4
1951	2,869	87·6	339·6	72·9	96·0
1952	3,025	89·7	383·2	79·3	118·2
1953	2,998	85·3	406·5	72·4	108·1
1954	3,073	101·0	416·5	77·3	90·5
1955	3,185	100·6	424·5	85·6	134·6
1956	3,285	105·3	442·2	91·1	162·5
1955 March	3,306	110·5	422·2	88·9	306·9
April	3,230	101·6	419·2	85·7	194·9
May	3,175	101·6	406·4	81·7	84·0
June	3,077	98·7	414·9	85·7	13·9
July	2,959	99·4	447·7	84·1	0·8
August	3,118	101·2	415·0	81·4	7·4
September	3,380	96·1	434·9	87·4	8·7
October	3,084	91·2	437·3	78·8	11·0
November	3,097	101·4	401·5	90·5	56·3
December	3,388	107·9	466·3	97·3	280·0
1956 January	3,207	106·3	413·8	88·9	354·8
February	3,358	106·6	425·4	92·8	353·6
March	3,363	109·9	418·8	99·3	335·1
April	3,224	100·7	420·8	93·9	249·4
May	3,316	99·7	452·6	101·7	132·9
June	3,195	95·2	451·4	98·9	60·0
July	3,165	110·0	467·0	94·1	7·3
August	3,307	111·3	438·3	89·6	3·5
September	3,123	104·9	465·6	84·5	8·8
October	3,164	105·5	443·4	80·4	12·1
November	3,325	108·2	430·1	83·8	97·7
December	3,674	105·4	479·3	84·9	335·0
1957 January	3,628	120·2	483·7	88·8	361·4
February	3,508	124·5	435·0	80·2	355·7

STATEMENT II.—*Industrial Output*—contd.
Monthly average or calendar months

		Paper Cwts. (000)	Cement Tons (000)	Ammonium Sulphate Neutral Tons	Index of Industrial Production (Base : 1951=100)
1950		181·5	217·7	3,942	..
1951		219·9	266·3	4,392	100·0
1952		229·3	294·8	18,359	103·6
1953		233·0	315·0	26,365	105·6
1954		258·8	366·5	28,352	112·9
1955		308·1	373·9	32,758	122·1
1956		322·3	410·7	32,416	132·8
1955	March	302·2	380·3	36,199	121·5
	April	301·4	365·8	32,295	124·8
	May	278·8	375·9	27,715	126·8
	June	304·6	349·1	29,797	133·1
	July	301·9	349·2	33,309	119·8
	August	327·8	373·7	30,419	131·6
	September	324·8	339·9	34,328	134·2
	October	318·5	391·5	37,042	121·9
	November	320·4	397·3	35,604	126·1
	December	319·1	423·4	33,886	132·7
1956	January	319·4	401·1	36,327	122·9
	February	296·2	394·3	33,754	134·3
	March	323·9	430·5	29,428	128·6
	April	310·0	395·0	31,816	134·8
	May	329·4	418·0	29,084	151·1
	June	314·7	414·8	25,173	**
	July	334·9	395·5	33,002	152·7
	August	325·1	397·6	33,259	133·1
	September	322·4	399·5	29,431	146·4
	October	320·4	410·8	37,373	131·8
	November	320·1	412·1	35,831	142·2
	December	351·4	459·1	34,512	136·4
1957	January	349·8	459·0	35,000	139·0
	February	319·4	427·7	..	..

**Figures under examination.

Source: Central Statistical Organisation (Monthly Abstract of Statistics).

STATEMENT III—*Production and Distribution of Electricity.*

Monthly average or calendar months

		Electricity sold (Million Kwh.)			
	(1) Electricity generated Million Kwh.)	Domestic consumption	Industrial power	Others	Total
1950	426	44	217	85	346
1951	488	50	255	94	399
1952	516	50	271	99	420
1953	559	57	292	106	455
1954	625	62	330	116	508
1955	708	68	383	126	577
1956	803	79	437	142	658
1955 March	699	63	376	129	568
April	691	63	369	132	564
May	706	64	377	128	569
June	716	68	380	128	576
July	725	68	390	125	583
August	709	70	380	124	574
September	719	70	391	126	587
October	721	73	394	125	592
November	726	74	397	126	597
December	786	76	428	144	648
1956 January	757	74	407	141	622
February	750	73	415	134	622
March	800	74	434	143	651
April	781	77	418	149	644
May	826	81	435	153	669
June	797	80	430	149	659
July	798	77	440	139	656
August	794	77	438	135	650
September	813	79	449	138	666
October	824	82	451	137	670
November	811	83	453	132	668
December	882	84	480	150	715
1957 January	869	83	480	149	712
February	811	79	458	147	678

(1) Including purchase from non-electric utilities

Source : Ministry of Irrigation and Power

STATEMENT IV—*Index Numbers of Wholesale Prices*

ALL INDIA : (Base : year ended August 1939 = 100)

Avarage of weeks (1)	Food Articles	Industrial Raw Materials	Semi-Manu-factures	Manu-factured Articles	Mis-celaneous Articles	All Commodities
1950	410·4	503·2	340·9	348·4	683·1	400·7
1951	409·8	608 2	377·5	395·5	729·8	439·3
1952	359·8	453·8	346·5	377·5	635·6	386·9
1953	380·8	459·7	356·3	367·0	661·5	393·9
1954	358·3	447·1	355·4	375·5	646·8	386·7
1955	304·5	411·1	333·3	373.4	555·1	355·4
1956	372·9	487·7	389·5	381·9	545·1	403·3
1955—						
April	283·6	398·6	327·8	377·1	541·2	345·4
May	276·1	396·4	329·6	374·6	544·6	342·0
June	281·8	390·4	329·7	370·0	567·4	342·5
July	309·7	408·1	329·6	370·9	562·6	355·6
August	317·5	404·4	326·1	371·2	563·1	357·3
September	313·0	396·1	324·8	368·8	556·0	353·0
October	315·7	403·7	329·8	371·2	559·3	357·2
November	326·5	418·9	338·1	73·3	543·3	365·0
December	323·7	438·3	346·6	373·0	544·2	368·4
1956—						
January	333·4	454·2	353·5	375·2	540·0	376·0
February	335·3	464·6	355·8	375·3	529·3	378·4
March	351·6	475·6	369·4	374·8	508·1	387·3
April	360·6	472·8	377·4	375·7	496·7	391·3
May	350·5	478·0	384·1	376·7	501·8	390·3
June	366·2	479·4	391·8	377·8	518·6	397·9
July	380·6	492·3	395·2	385·7	560·4	409·2
August	397·0	500·5	406·4	387·7	565·3	418·5
September	393·1	507·0	408·2	391·4	567·1	419·8
October	392·5	502·4	405·6	387·9	585·2	417·8
November	411·6	514·2	416.2	387.6	590·6	427·7
December	413·9	571·1	417·5	386·9	590·3	428·8
1957—						
January	392·1	525·0	412·4	387·4	592·7	422·3
February	406·0	520·5	410·6	385·5	585·2	425·0
March	402·7	518·1	403·3	384·1	569·6	421·3

(1) Annual figures are simple geometric averages of months

Source: *Office of the Economical Adviser to the Government of India.*

STATEMENT V.—*Index Numbers of Prcces of certain Industrial Articles.*

(Figures relate to the last week of the month)

Base: year ended August 1939=100

Monthly average or calendar months	Sugar	Kerosene	Petrol	Cotton Manufactures	Jute Manufactures	Cement	Galvanized Corrugated Sheets	Leather	Coal
1950	280	192	196	354	561	258	208	356	357
1951	297	197	199	400	813	280	228	442	357
1952	294	229	214	401	505	298	268	354	357
1953	273	230	218	407	402	261	294	410	357
1954	296	222	219	413	438	273	301	377	357
1955	265*	207	216	404*	430	281	311	374	358*
1956	265*	203	213	417*	413	299	339	406	395
1955—									
April	266*	222	219	411*	439	281	303	396	357*
May	268*	222	219	406*	421	281	303	401	357*
June	267*	222	213	403*	416	211	303	389	357
July	260*	192	213	402*	429	282	305	316	357*
August	266*	192	213	402*	416	282	305	337	357*
September	256*	192	213	402*	396	282	305	338	361*
October	259*	193	212	399*	400	281	333	341	361*
November	255*	193	213	399*	427	281	333	385	361*
December	260*	193	213	399*	421	281			362*
1956—									
January	263*	193	213	403*	420	279	333	418	362*
February	266*	196	213	403*	417	279	333	402	362
March	265*	204	213	403*	410	279	333	408	362*
April	261*	204	213	408*	298	279	333	409	362
May	261*	204	213	414*	390	279	333	40	
June	269*	204	213	418*	387	279	333	404	362*
July	269*	204	213	430*	387	320	344	395	430*
August	271*	204	213	431*	395	320	344	381	430*
September	266*	203	213	430*	427	320	344	373	430*
October	262*	208	213	426*	426	320	344	396	430*
November	260*	208	213	421*	446	320	334	439	430*
December	262*	205	213	415*	459	320	344	443	430*
1957—									
January	262*	208	213	414	450	320	344	433	430*
February	266*	208	213	414	429	320	344	422	430*
March	265*	208	213	414	412	320	344	410	430*

*Estimated.

Source: *Office of the Economical Adviser to the Government of India*

STATEMENT VI—*Consumer Price Index Numbers—Working Class*

Monthly average or calendar months	Bombay (Base year ending June 1934=100)	Madras (Base year ending June 1937=100)	Kanpur (Base : August 1939=100)	Delhi (Base : 1944=100)	Nagpur (Base : August 1939=100)	Calcutta (Base ; August 1939=100)	All-India (Base : 1949=100)
1950 . .	313	325	434	132	372	349	101
1951 . .	330	334	451	142	391	370	105
1952 . .	337	330	441	143	380	351	103
1953 . .	363	351	453	140	387	349	106
1954 . .	359	341	408	138	372	327	101
1955 . .	338	321	371	130	364	321	96
1956 . .	353	358	424	144	399	347	105
1955—							
April . .	340	314	352	126	353	311	93
May . .	336	307	335	122	351	315	92
June . .	333	311	347	122	359	317	97
July . .	340	316	371	129	364	225	96
August . .	341	318		133	367	329	93
September .	333	322	373	133	367	327	96
October . .	331	323	385	133	369	334	97
Nobember .	330	327	392	136	369	339	98
December .	332	334	393	140	375	320	98
1956—							
January . .	334	334	404	139	378	319	97
February .	337	333	394	137	385	315	97
March . .	350	340	398	139	387	325	10
April . .	358	354	409	140	397	338	103
May . .	357	356	308	140	397	342	104
June . .	358	365	419	141	399	350	106
July . .	354	369	436	144	413	365	107
August . .	361	372	445	146	404	368	10
September .	352	368	445	148	405	366	108
October . .	358	362	448	153	406	364	108
November .	356	369	446	154	408	356	110
December .	355	370	436	152	409	356	109
1957—							
January . .	355	372	436	150	410	354	107
February .	357	369	438	150	412	350	107
March . .	356	367	433	150	..	..	107

Source: *Labour Bureau, Ministry of Labour*

STATEMENT VII—*Fixed Yield Government Securities Price Index and Yield of 3 per cent Government Paper (Bombay).*

Monthly average or calendar months	Price index (Base : 1938=100)	Yield (Per cent)
1950	98·0	3·11
1951	92·8	3·29
1952	82·7	3·69
1953	83·7	3·64
1954	83·4	3·65
1955	82·0	3·72
1956	77·7	3·93
1955—		
April	82·0	3·72
May	82·1	3·71
June	81·9	3·73
July	81·9	3·72
August	81·7	3·73
September	81·8	3·73
October	81·9	3·73
November	81·7	3·73
December	81·7	3·73
1956—		
January	81·7	3·73
February	81·3	3·75
March	78·3	3·90
April	78·1	3·91
May	78·6	3·88
June	78·7	3·88
July	78·1	3·91
August	76·7	3·98
September	76·4	3·99
October	75·8	4·02
November	75·0	4·06
December	74·2	4·11
1957—		
January	74·4	4·10
February	75·1	4·06
March	75·6	4·03

Source : Reserve Bank of India.

STATEMENT VIII—*Index Numbers of Security Prices—All India*

(Base : 1949-50=100)

Average of weeks	Government and Semi-Government Securities	Deventures of Industrial Concerns	Preference Shares	Variable Dividend Industrial Securities
1953 (1)	90·4	101·0	87·2	93·9
1954	90·4	100·9	88·3	109·4
1955	90·8	100·7	87·7	119·5
1966	90·8	100·6	84·6	123·8
1 —				
April . . .	90·5	100·6	87·5	115·4
May . . .	90·7	100·7	87·7	112·9
June . . .	90·8	100·6	87·6	113·1
July	90·9	100·7	87·7	117·9
August . . .	90·9	100·7	87·8	122·7
September . . .	90·9	100·7	87·8	122·7
October . . .	91·0	100·7	87.2	124·5
November . . .	91·0	101·0	87·7	129·9
December . . .	91·0	101·0	87·8	130·6
1956—				
January . . .	91·1	101·1	87·3	125·7
February . .	91·3	101·1	86·7	121·0
March . . .	90·9	101·1	85·8	122·4
April . . .	90·9	100·9	85·6	123·1
May . . .	91·1	100·8	85·1	123·8
June	91·2	100·5	85·2	125·1
July	91·2	100·4	85·3	125·1
August . . .	90·9	100·3	85·2	127·4
September . .	90·7	100·3	83·8	126·9
October .	90·4	100·3	82·7	124·9
November . . .	90·1	100·2	81·9	122·9
December . . .	89·7	100·1	80·7	177·4
1957—				
January . . .	89·7	99·9	80·4	113·7
February . . .	89·8	99·9	79·8	113·6
March . . .	90·0	99·0	79·8	111·1

(1) Average of 39 week ending December.

Source : Reserve Bank of India.

STATEMENT IX—*Variable Yield Industrial Securities—Index Numbers of Sesected Industries*

(i) Base : 1938=100

Average of weeks	Cotton, Woollen and Silk Mills	Jute Mills	Coal	Iron and Steel	Plantations	Sugar	Cement	Paper
1950	155·4	86·8	114·6	153·5	142·2	106·2	133·5	109·5
1951	170·3	102·4	131·6	171·5	179·1	97·8	142·3	128·7
1952	143·1	83·1	96·6	134·7	140·6	87·5	141·5	116·4
1953(1)	130·5	72·5	87·8	131·6	110·8	79·5	141·8	114·0

(ii) Base : 1949-50=1^^

Average of weeks	Cotton, Woollen and Silk Mills	Jute Mills	Coal	Iron and Steel	Plantations	Sugar and Breweries	Cement	Paper
1953(2)	93·8	82·3	78·0	103·8	87·9	84·6	114·2	153·8
1954	108·1	89·7	81·0	133·1	135·2	96·5	134·8	201·4
1955	112·1	98·0	80 3	152·8	188·6	104·0	157·6	236·0
1956	133·8	77·2	80·8	151 5	174·0	106·9	178·4	276·3
1955—								
April	103·6	99·1	77·4	145·7	200·3	98·7	148·2	225·1
May	103 8	96·1	77·4	141·4	177·9	97·0	147·0	224·2
June	105 2	95 3	77 9	139·7	182·2	96·6	146·2	222·5
July	110·0	97·8	80·0	151·6	191·3	99·6	154·5	231·7
August	114·1	106 8	83·1	162·7	191·9	104·3	162·0	242·1
September	114·6	101·7	83·1	160·2	198·7	105·3	161·6	237·2
October	120·5	96·1	80·1	160·9	190·2	108·2	170·3	244·2
November	129·1	94·6	79·8	174·1	189·1	111·3	179·5	270·5
December	131·4	94·2	84·0	170·0	180·8	112·2	185·4	300·2
1956—								
January	126·5	91·2	86·0	156·0	170·4	108·7	175·5	289·4
February	122·8	89·6	84·3	141·8	167·2	106·1	166·9	281·2
March	128·5	82·9	82·4	144·9	171·9	107·6	172·7	288·0
April	130·9	76 6	81·7	149·3	182·9	104 8	175·2	290·5
May	132 3	75 1	80·9	154·8	183·5	104·6	178·5	285·9
June	133·7	77·0	79·4	160·9	180·8	105·3	181·6	287·8
July	137·8	73·0	79·9	155·2	181·5	106·5	179·9	278·3
August	144·2	73·5	78·7	159·8	177·1	107·9	184·6	274·1
September	142·5	76·1	79 7	156·8	173·2	109·1	188·5	266·6
Oc)ber	138·1	75·4	80·0	151·4	170·7	109·0	188·5	261·9
November	136·4	71·5	70·3	150·4	166·0	108·0	181·3	60·1
December	131·7	64·4	76·8	137·2	162·4	105·0	172·5	252·1
1957—								
January	127·7	59·2	74·2	129·5	156·2	100·7	169·4	248·4
February	126·1	61·7	74·9	130·2	155·5	99·9	159·9	252·6
March	123·6	59·5	72·4	123·4	157·0	99·7	154·8	239·9

Source : Reserve Bank of India.

(1) Average of first three months.

(2) Average of nine months ending December 1953.

STATEMENT X—*Currency Circulation in India.*

(In lakhs of Rupees)

	Circulation (as on last Friday)			Net increase(+) or decrease(—) in total circulation over the period
	Notes(1)	Rupees coin(2)	Total	
1950	1,163,25	148,30	1,311,55	+62,79
1951	1,097,92	125,51	1,223,43	—30,12
1952	1,048,95	116,47	1,165,42	—58,01
1953	1,082,35	113,50	1,195,85	+30,43
1954	1,160,74	111,51	1,272,25	+76,40
1955	1,319,80	117,46	1,437,26	+165,01
1956	1,423,18	115,05	1,538,23	+100,97
1955—				
April	1,269,69	117,59	1,387,28	+35,83
May	1,274,72	119,15	1,393,87	+6,59
June	1,269,22	119,42	1,388,64	—5,23
July	1,249,74	116,94	1,366,68	—21,96
August	1,243,26	114,71	1,357,97	—8,71
September	1,238,31	113,70	1,352,01	—5,96
October	1,263,87	114,41	1,378,28	+26,27
November	1,281,67	115,36	1,397,03	+18,75
December	1,319,80	117,46	1,437,26	+40,23
1956—				
January	1,336,84	118,72	1,455,56	+18,30
February	1,360,53	120,23	1,480,76	+25,20
March	1,424,23	123,45	1,547,68	+66,92
April	1,462,53	124,94	1,587,47	+39,79
May	1,463,59	126,32	1,589,91	+2,44
June	1,432,09	125,18	1,557,27	—32,64
July	1,401,67	121,25	1,522,92	—34,35
August	1,381,86	118,40	1,500,26	—22,66
September	1,366,44	115,07	1,481,51	—18,75
October	1,376,02	114,53	1,490,55	+9,04
November	1,395,66	114,09	1,509,75	+19,20
December	1,423,18	115,05	1,538,23	+28,48
1957—				
January	1,442,63	115,32	1,557,95	+19,72
February	1,463,36	117,39	1,580,75	+22,80
March	1,483,20	118,30	1,601,50	+20,75

Source : Reserve Bank of India.

(1) From 1951, figures are net of the return of about Rs. 43 crores from Pakistan awaiting adjustment.

(2) On silver and nickel rupee coins and Govt. of India one rupee notes.

STATEMENT XI—*Money Supply with the Public.*

(In lakhs of Rupees)

Last Friday (1)	Currency (2)	Deposit money	Total
1951	1,339,19	640,30	1,979,49
1952	1,216,57	587,22	1,803,79
1953	1,199,25	565,46	1,764,71
1954	1,229,43	564,54	1,793,97
1955	1,311,77	608,86	1,920,63
1956	1,505,09	679,23	2,184,32
1955—			
April	1,342,90	625,23	1,968,14
May	1,348,41	626,92	1,975,33
June	1,343,74	633,46	1,977,20
July	1,324,80	629,92	1,954,72
August	1,314,74	644,45	1,959,19
September	1,309,69	644,07	1,953,76
October	1,331,40	646,85	1,978,24
November	1,351,24	651,21	2,002,46
December	1,385,87	661,28	2,047,15
1956—			
January	1,407,67	686,55	2,094,21
February	1,435,69	673,28	2,108,97
March	1,505,09	679,23	2,184,32
April	1,538,18	689,93	2,228,11
May	1,539,66	686,31	2,225,97
June	1,504,48	684,65	2,189,13
July	1,474,28	673,62	2,147,20
August	1,451,77	683,15	2,134,92
September	1,435,95	673,46	2,109,41
October	1,442,52	680,48	2,123'00
November	1,462,01	689,45	2,151,46
December	1,485,34	693,31	2,178,65
1957—			
January	1,508,40*	711,66*	2,220,06*
February	1,527,01*	735,23*	2,262,24*
March	1,550,47*	751,37*	2,301,84*

Source : *Reserve Bank of India.*

(1) Annual figures relate to last Friday of March of the year stated.

(2) Excluding small coin but including *Holi Sicca* currency. 'Notes in circulation' included are net of the return of about Rs. 43 crores from Pakistan awaiting adjustment.

*Provisional.

STATEMENT XII-A—*The Reserve Bank of India, Issue Department.*

(In lakhs of Rupees)

Last Friday	Notes in circulation	Total notes issued	Assets			
			Gold coin and bullion(1)	Foreign securities	Rupee coin (2)	Rupee securities
1950	1,163,25	1,173,69	40,02	638,15	58,89	436,63
1951	1,141,09	1,160,31	40,02	583,15	69,01	468,13
1952	1,092,12	1,112,90	40,02	538,15	84,67	450,06
1953	1,125,52	1,135,89	40,02	578,15	96,34	421,38
1954	1,200,49	1,226,50	40,02	663,15	105,58	417,75
1955	1,361,98	1,374,01	40,02	686,88	108,44	538,68
1956	1,466,07	1,475,21	117,76	447,30	124,80	785,35
1955—						
April	1,310,77	1,341,99	40,02	661,98	106,24	533,75
May	1,316,09	1,340,12	40,02	661,98	104,42	533,71
June	1,310,79	1,341,09	40,02	652,04	105,39	543,64
July	1,29,47	1,329,20	40,02	637,04	108,49	543,65
August	1,285,09	1,315,82	40,02	622,04	110,07	543,69
September	1,280,22	1,312,83	40,02	671,82	112,05	488,95
October	1,305,86	1,321,87	40,02	627,10	111,15	543,60
November	1,323,76	1,345,40	40,02	647,07	109,70	548,61
December	1,361.98	1,374,01	40,02	686,88	108,44	538,67
1956—						
January	1,379.07	1,402,04	40,02	667,07	106,60	588.36
February	1,402,85	1,415,45	40,02	667,16	105,04	603,23
March	1,466,64	1,478,41	40,02	656,42	103,16	678,82
April	1,505,01	1,527,36	40,02	681,45	107,20	698,69
May	1,506,13	1,525,11	40,02	681,45	104,89	698,75
June	1,474,67	1,502,94	40,02	646,55	107,69	708,68
July	1,444,28	1,477,27	40,02	616,68	111,96	708,62
August	1,424,51	1,457,15	40,02	606,68	116,74	693,72
September	1,409,23	1,450,54	40,02	586,74	120,07	703,72
October	1,418,89	1,451,96	117,76	492,02	121,49	720,69
November	1,438,54	1,465,74	117,76	457,24	125,27	765,47
December	1,466,07	1,475,21	117,76	447,30	124,80	785,35
1957—						
January	1,485,52	1,509,08	117,76	427,43	123,77	840,13
February	1,506,25	1,527,33	117,76	412,52	122,01	875,03
March	1,526,09	1,537,86	117,76	412,52	122,61	884,97

Source : *Reserve Bank of India.*

(1) Revalued at Rs. 62-8-0 per tola from October 1956, the earlier rate being Rs. 21-3-10 per tola.

(2) Includes Government of India one rupee notes.

STATEMENT XII-B—*The Reserve Bank of India, Banking Department.*

(In lakhs of Rupees)

Last Friday	Deposits				Assets		
	Governments	Banks	Others	Balances held abroad (1)	Loans and advances to Govts.	Bills purchased and discounted	Investments
1950	179,27	55,39	60,38	196,27	3,94	2,27	100,01
1951	220,68	50,72	66,26	197,94	7,96	6,73	101,18
1952	178,34	45,09	59,76	167,34	3,30	7,01	99,45
1953	129,03	45,99	56,93	144,46	1,84	11,35	74,72
1954	71,63	69,13	34,39	67,64	1,67	4,01	75,34
1955	64,63	57,87	15,81	48,30	3,66	12,07	50,54
1956	65,24	58,09	13,87	82,61	7,27	3,30	61,82
1955—							
April	86,02	48,66	22,80	53,19	89	12,00	41,57
May	68,80	49,46	21,77	48,46	80	11,23	41,79
June	69,04	54,52	21,84	63,93	80	10,75	37,90
July	100,43	54,46	15,06	80,03	1,00	7,754	61,47
August	141,07	51,36	16,27	95,50	80	12,29	62,65
September	69,68	62,77	16,37	47,66	2,02	14,28	49,85
October	79,56	57,71	15,79	85,27	2	7,15	50,23
November	67,56	63,90	15,48	72,63	1,89	5,76	50,05
December	64,63	57,87	15,81	48,30	3,66	12,07	50,54
1956—							
January	72,49	65,24	17,10	67,05	1,79	4,92	51,17
February	82,63	55,16	15,98	67,66	3,60	4,23	49,29
March	129,37	53,24	16,68	89,72	..	12,23	47,19
April	85,61	50,84	17,18	44,20	1,79	12,43	44,19
May	65,82	51,21	12,53	30,69	2,19	8,86	35,38
June	70,01	54,49	13,08	34,97	2,37	8,36	43,04
July	83,00	53,35	12,22	42,75	5,16	3,28	49,39
August	68,68	56,56	12,27	24,94	8,06	3,87	50,12
September	90,45	52,64	12,46	28,33	2,84	3,89	32,34
October	81,96	51,39	12,76	90,23	3,88	4,77	55,14
November	65,93	51,07	13,37	79,29	2,96	7,09	59,61
December	65,24	58,09	13,87	82,61	7,27	3,30	61,82
1957—							
January	64,79	51,76	12,68	83,18	7,48	1,11	49,62
February	65,22	56,48	42,27	106,35	7,72	2,03	51,65
March	96,52	57,77	74,28	114,31	7,65	2,98	121,22

(1) Including cash and short-term securities. *Source* : *Reserve Bank of India.*

STATEMENT XIII—*Business of Scheduled Banks in India.*

(In lakhs of Rupees)

Last Friday	Demand and time liabilities (1)			Cash in hand and balances with Reserve Bank	Advances (2)	Bills purchased and discounted	
	Demand	Time	Total			Inland	Foreign
1950	579,81	282,97	862,78	94,59	432,27	..	..
1951	553,74	292,47	846,21	89,51	505,71	36,82	..
1952	517,45	313,27	830,72	78,53	438,83	29,50	..
1953	508,10	330,02	838,12	76,66	415,67	45,43	..
1954	566,84	365,28	932,12	103,74	466,94	43,69	27,85
1955	608,90	415,20	1,024,10	99,11	514,07	68,73	47,27
1956	643,55	457,16	1,100,71	90,53	623,19	111,40	54,05
1955— April	580,67	381,49	962,16	80,61	502,85	81,98	39,22
May	583,54	385,70	969,24	82,87	500,05	81,06	38,62
June	589,84	383,02	982,86	86,70	498,47	70,40	41,10
July	588,38	405,25	993,63	84,79	489,85	68,78	42,40
August	599,12	405,51	1,004,63	83,44	496,57	67,38	42,26
September	598,24	413,37	1,011,61	93,68	489,55	58,03	45,56
October	601,96	419,39	1,021,35	92,25	486,34	60,55	45,31
November	605,58	417,20	1,022,78	96,35	490,18	56,72	47,19
December	608,90	415,20	1,024,10	99,11	514,07	68,73	47,27
1956— January	642,26	406,44	1,048,70	98,90	542,32	86,57	47,90
February	626,50	414,93	1,041,43	88,03	555,16	96,66	45,02
March	630,83	412,33	1,043,16	84,73	612,45	101,87	46,77
April	638,60	424,34	1,062,94	86,27	605,53	105,12	46,57
May	637,78	432,33	1,070,11	88,24	613,59	109,09	46,25
June	630,98	449,91	1,080,89	91,70	613,39	98,62	47,31
July	627,97	453,43	1,081,40	88,33	597,35	95,69	47,18
August	637,35	458,56	1,095,91	89,10	587,64	101,44	45,89
September	626,94	455,31	1,082,25	84,24	611,12	96,85	46,45
October	633,35	453,89	1,087,24	87,31	611,91	96,75	51,60
November	638,71	456,25	1,094,96	86,72	956,98	116,39	52,95
December	643,55	457,16	1,100,71	90,53	623,19	111,40	54,05
1957— January	663,72	459,62	1,123,34	82,91	657,52	115,32	53,57
February	686,50	465,42	1,151,92	88,78	694,76	104,93	57,07
March	703,30	471,60	1,174,90	88,24	723,37	117,51	58,92

Source : *Reserve Bank of India.*

(1) Net of inter-bank borrowings.
(2) Figures for 1950 includes money at call and short notice and bills purchased in India.

STATEMENT XIV—*Monthly Cheque Clearances and Call Money Rates.*

Monthly average or calendar months	Monthly cheque clearance, all-India. (in crores of rupees)	Inter-bank call rates* Bombay per cent. per annum	Inter-bank call rates* Calcutta. per cent. per annum
1950	523·2	9/16	1/2
1951	655·7	31/32	1/2
1952	571·1	2 1/32	2 1/16
1953	550·3	2 1/4	2 7/16
1954	588·7	2 3/8	2 19/32
1955	651·6	2 3/4	2 7/8
1956	703·4	3 3/16	3 10/16
1955—			
April	644·5	3	3
May	628·6	2 7/8	3
June	598·1	2 9/16	3
July	625 8	2 3/8	2 3/4
August	640·3	2 13/32	2 5/8
September	680·8	2 13/16	
October	616·3	1 15/16	2 13/16
November	674·0	2 11/16	3 5/32
December	723·5	2 7/8	2 29/32
1956—			
January	607·7	2 15/16	3 5/32
February	751·9	2 15/16	3 1/4
March	764·9	3 3/16	3 7/8
April	740·6	3 1/4	3 3/4
May	710·5	3 1/8	3 5/8
June	659.6	3 1/8	3 5/8
July	669·9	3 1/8	3 5/8
August	645·7	3 1/8	3 5/8
September	701·3	3 3/16	3 3/4
October	699·9	3 1/4	3 7/8
November	725·1	3 5/16	3 13/16
December	764·2	3 9/16	3 11/16
1957—			
January	841·3	3 7/16 to 4 7/16	3 3/8 to 4 3/8
February	732·9	3 7/16 to 4 15/16	3 3/8 to 4 5/8
March	833·1	3 7/16 to 4 7/16	2 to 4 3/8

Source : Reserve Bank of India.

*Data prior to January 1957 represent averages of Friday rates obtained from State Bank of India, Brokers and Exchange Bank Associations. Those from January 1957 provide a range of interest rates for various types of deposits quoted by selected Scheduled Banks during the respective periods.

STATEMENT XV—*India's Foreign Trade by Sea and Air (1)*—

(Figures in lakhs of Rupees)

Monthly averages or calendar months	Imports of foreign merchandise				Exports of Indian merchandise				Exports of foreign merchandise
	Food, drink and tobacco	Raw materials and articles mainly unmanufactured	Articles wholly or mainly manufactured	Total imports	Food, drink and tobacco	Raw materials and articles mainly unmanufactured	Articles wholly or mainly manufactured	Total exports	Total re-exports
1	2	3	4	5	6	7	8	9	10
1950	7,97	14,87	20,25	43,40	10,25	8,92	24,38	43,77	1,67
1951	18,17	18,77	27,48	65,04	13,44	13,62	34,74	61,78	1,80
1952	19,45	19,19	25,20	64,65	12,20	11,90	24,48	48,84	47
1953	9,24	13,78	22,39	46,92	12,83	9,85	20,20	43,20	48
1954	7,96	15,86	24,69	49,74	15,40	8,77	21,39	45,98	42
1955	6,37	13,30	32,10	53,82	14,24	13,99	21,09	49,67	46
1956	3,56	15,05	46,24	65,91	16,71	11,27	20,01	49,31	56
1955—									
March	13,68	12,86	29,22	55,99	14,54	18,47	22,96	56,35	82
April	8,46	11,89	29,41	54,24	7,41	11,38	19,92	39,01	42
May	6,92	13,68	28,42	51,14	7,07	13,93	22,19	43,56	41

Note.—For footnotes *vide* page 166 *infra*.

STATEMENT XV—*India's Foreign Trade by Sea and Air* (1)—*contd.*

(Figures in lakhs of Rupees)

Monthly average or calendar months	Imports of foreign merchandise				Exports of Indian merchandise				Exports of foreign merchandise
	Food, drink and tobacco	Raw materials and articles mainly unmanufactured	Articles wholly or mainly manufactured	Total imports	Food, drink and tobacco	Raw materials and articles mainly unmanufactured	Articles wholly or mainly manufactured	Total exports	Total re-exports
1	2	3	4	5	6	7	8	9	10
1955—contd.									
June	4,56	13,05	31,45	51,59	11,93	15,10	19,27	46,64	66
July	4,14	16,19	29,54	52,28	12,46	15,31	21,97	50,20	50
August	2,96	14,23	27,44	48,70	15,20	12,51	23,00	50,99	32
September	2,92	10,78	34,20	50,87	18,15	15,52	23,63	57,71	28
October	3,07	10,45	35,64	51,70	16,02	13,10	18,11	47,52	58
November	3,27	12,26	44,48	62,86	14,67	13,43	20,43	48,86	39
December	2,97	15,07	40,49	58,87	14,79	15,51	21,06	51,71	42
1956—									
January	4,50	10,97	39,77	57,43	16,89	11,22	17,08	46,01	34
February	6,51	14,25	43,68	67,79	14,69	15,41	19,76	50,86	75
March	4,59	23,50	42,21	68,16	16,82	13,63	20,56	64,67	1,50
April	3,01	11,29	43,14	58,04	11,42	8,89	17,90	38,76	85
May	2,72	14,58	50,06	66,67	11,79	11,70	20,17	44,18	89

Note.—For foot notes *vide* page 198 *infra*.

STATEMENT XV—*India's Foreign Trade by Sea and Air* (1).—*concld.*

(Figures in lakhs of Rupees)

Monthly average or calendar months	Imports of foreign merchandise				Exports of Indian merchandise				Exports of foreign merchandise
	Food, drink and tobacco	Raw materials and articles mainly unmanu-factured	Articles wholly or mainly manu-factured	Total imports	Food, drink and tobacco	Raw materials and articles mainly unmanu-factured	Articles wholly or mainly manu-factured	Total exports	Total re-exports
1	2	3	4	5	6	7	8	9	10
1956—contd.									
June	2,75	13,74	46,23	63,12	13,84	11,45	19,52	45,36	1,03
July	1,87	11,99	44,05	58,41	12,98	8,55	18,98	41,03	72
August	3,88	13,83	46,71	64,76	19,51	8,05	20,98	49,17	41
September	2,93	19,81	51,48	82,00	21,43	9,23	17,72	49,21	37
October	3,06	13,84	51,28	68,72	21,50	9,42	20,75	52,60	42
November	3,24	10,20	54,34	68,13	20,50	9,61	24,54	55,06	56
December	3,71	22,55	40,90	67,69	19,10	13,02	22,27	54,81	60
1957—									
January*	...	..	..	78,76	...	..	...	54,98	30
February*	...	...	...	71,32	...	...	...	54,25	30

Source: Director General, Commercial Intelligence and Statistics.

(1) The figures of total imports, exports and re-exports include 'living animals and postal articles' and also some latest adjustments.

*By Sea, Air and Land combined.

STATEMENT XVI.—*India's Balance of Trade in Merchandise*

(In lakhs of Rupees)

Monthly average or calendar months	Exports and Re-exports		Imports		Balance[1]
	By sea and air	By land	By sea and air	By land	
1950	45,44	1,31	43,30	3,28	−1,05
1951	63,58	1,74	65,04	6,16	−7,23
1952	49,31	2,23	64,65	2,74	−15,97
1953	43,68	60	46,92	1,90	−4,55
1954	46,40	52	49,74	1,81	−4,65
1955	50,13	52	53,82	2,27	−5,43
1956	49,87	49	65,91	2,01	−17,54
1955—					
March	57,17	56	55,99	2,51	−73
April	39,43	50	54,24	1,53	−15,86
May	43,97	48	51,14	2,03	−8,74
June	47,30	89	51,59	1,94	−5,33
July	50,70	43	52,28	1,62	−2,75
August	51,31	29	48,70	1,64	−1,26
September	57,99	38	50,87	3,02	−4,49
October	48,05	34	51,70	2,18	+5,48
November	49,25	60	62,86	2,73	+15,72
December	52,13	93	58,87	3,17	−8,97
1956—					
January	46,35	58	57,43	3,26	−13,74
February	51,60	38	67,79	3,42	−19,21
March	65,26	40	68,16	2,81	−5,34
April	39,24	45	58,04	1,86	−20,16
May	44,69	37	66,67	1,06	−22,64
June	46,39	43	63,12	1,05	−17,30
July	41,75	8	58,41	98	−17,15
August	49,58	48	64,76	1,79	−16,50
September	49,58	47	82,00	2,20	−34,11
October	53,02	47	68,72	2,16	−17,38
November	55,62	48	68,13	1,83	−13,85
December	55,41	85	67,69	1,69	−13,04
1957—					
January*	55,28	...	78,76	...	−23,49
February*	55	...	71,32	..	−16,79

Source: Director General, Commercial Intelligence and Statistics.

*By sea, air and land combined.

(1) Excludes land-frontier trade with Nepal, Tibet, Sikkim and Bhutan as also transit trade of foreign countries on India's border passing through Indian ports.

STATEMENT XVII.—*Index Numbers of Quantum and Value per Unit of Imports and Exports (by Sea, Air and Land)*

(Base 1952-53=100)

Monthly average or calendar months	Quantum		Value per Unit	
	Imports	Exports	Imports	Exports
1953	90	99	95	93
1954	101	102	89	95
1955	109	113	88	93
1956*	136	109	...	94
1955—				
January	110	109	89	104
February	110	100	94	105
March	120	130	87	92
April	103	94	89	88
May	97	107	91	86
June	111	110	83	91
July	106	114	87	93
August	96	114	87	94
September	101	133	91	92
October	104	109	89	92
November	131	114	86	91
December	123	123	87	90
1956—				
January	124	102	85	95
February	142	114	86	93
March	150	132	89	90
April	121	93	88	88
May	139	106	89	88
June	128	105	90	91
July	122	96	87	90
August	134	112	89	93
September	154	106	89	97
October	143	108	89	102
November	136	120	92	97
December	134	114	93	102

*First eleven months. *Source : Director General, Commercial Intelligence and Statistics.*

STATEMENT XVIII—*India's Balance of Payments (Current Account)*

Net credit +
Net debit —

(In crores of Rupees)

Period	Merchandise	Non-monetary gold	Invisibles*		Donations		Current account	Errors and omissions **
			Investment income	Other	Official	Other		
1950	+16·3	..	—122·8	+27·1	+2·1	+33·0	+55·7	—19·3
1951	—132·5	..	—22·8	+37·7	+1·4	+41·4	—74·8	—24·8
1952	—122·7	—1·0	—9·4	+49·8	+12·1	+45·8	—25·4	—34·0
1953	—54·9	..	—4·2	+40·7	+18·4	+43·4	+43·4	+1·7
1954	—91·9	..	—3·5	+44·1	+15·2	+32·8	—3·3	+0·6
1955	—76·2	..	—4·0	+50·9	+34·7	+34·9	+40·3	+5·2
1956	—347·5	..	+12·4	+47·8	+39·6	+41·5	—206·2	—2·4
1955—								
First quarter	—3·2	..	—1·3	+15·7	+3·8	+9·9	+24·9	—4·7
Second quarter	—22·2	..	—3·3	+9·8	+8·4	+7·8	+0·5	+5·3
Third quarter	—30·1	..	—1·5	+9·3	+12·1	+8·9	—1·3	+13·6
Fourth quarter	—20·7	..	+2·0	+16·2	+10·4	+8·3	+16·2	—9·0
1956—								
First quarter	—36·5	..	+3·4	+13·1	+14·1	+10·4	+4·5	—15·2
Second quarter	—76·7	..	+3·3	+9·2	+9·6	+10·1	—44·5	—7·1
Third quarter	—111·8	..	+2·3	+9·7	+8·3	+10·1	—81·4	+17·7
Fourth quarter	—122·5	..	+3·4	+15·8	+7·6	+10·9	—84·8	+2·2

Source : Reserve Bank of India.

*Excluding 'donations'.

**Represents difference between current and capital accounts owing to errors and omissions.

STATEMENT XIX—*Regional Pattern of India's Balance of Payments (Current Account)*

Net credit +
Net debit —

(In crores of Rupees)

	Sterling area	Dollar area	OEEC countries	Rest of the world	Total
1950	+67·4	+32·2	*	—43·9	+55·7
1951	+84·8	—62·1	*	—97·5	—74·8
1952	+126·2	—111·8	—20·7	—19·1	—25·4
1953	+57·8	+18·8	—24·3	—8·9	+43·4
1954	+49·3	+9·5	—73·7	+11·6	—3·3
1955	+56·1	+41·4	—76·1	+18·9	+40·3
1956	—25·0	+9·8	—171·9	—19·1	—206·2
1955—					
First quarter	+27·5	+11·5	—15·1	+1·0	+24·9
Second quarter	—3·6	+11·0	—13·2	+6·3	+0·5
Third quarter	+9·6	+6·3	—23·5	+6·3	—1·3
Fourth quarter	+22.6	+12.6	—24·3	+5·3	+16·2
1956—					
First quarter	+16·0	+16·7	—23·2	—5·0	+4·5
Second quarter	+2·3	—0·2	—44·1	—2·5	—44·5
Third quarter	—23·8	—0·5	—50·5	—6·6	—81·4
Fourth quarter	—19·5	—6·2	—54·1	—5·0	—84·8

Source : Reserve Bank of India.

*Merged with the 'Rest of the world', as separate figures not available.

SECTION V

INCOME-TAX PAYABLE AS PERCENTAGE OF INCOME

Statement showing in selected cases tax payable and as a percentage of income or incomes ranging from Rs. 3,000 to Rs. 30,00,000

Income	Tax at 1956-57 rates on Total Income.							
	MARRIED PERSONS				**UNMARRIED PERSONS**			
	Wholly earned	Percentage	Wholly unearned	Percentage	Wholly earned	Percentage	Wholly unearned	Percentage
1 Rs.	2 Rs.	3	4 Rs.	5	6 Rs.	7	8 Rs.	9
3,000	...	...	...	..	...	...	...	...
3,200	...	...	...	...	...	...	...	...
3,600	...	...	...	..	...	...	...	...
4,200	...	...	...	...	...	...	...	...
4,800	86	1·8	131	2·7	133	2·8	178	3·7
5,000	94	1·9	141	2·8	141	2·8	187	3·7
6,000	131	2·2	250	4·1	178	3·0	297	4·9
7,200	224	3·1	381	5·3	271	3·7	428	5·9
8,400	345	4·1	568	6·8	395	4·7	616	7·3
9,600	461	4·8	744	7·7	511	5·3	794	8·3
10,000	508	5·1	804	8·0	557	5·6	853	8·5
12,000	744	6·2	1,230	10·2	794	6·6	1,280	10·7
13,200	923	7·0	1,487	11·3	972	7·4	1,535	11·6
14,400	1,128	7·8	1,742	12·1	1,177	8·2	1,791	12·4
15,000	1,230	8·2	1,870	12·5	1,280	8·5	1,919	12·8
16,800	1,537	9·1	2,342	13.9	1,586	9·4	2,392	14·2
18,000	1,742	9·7	2,657	14·8	1,791	9·9	2,707	15·0
20.000	2,132	10·7	3,182	15·9	2,182	10·9	3,232	16·1
24,000	3,444	14·4	4,494	18·7	3,494	14·6	4,544	18·9
25,000	3,772	15·1	4,822	19·3	3,821	15·3	4 872	19·5
30,000	6,332	21·1	7,119	23·7	6,381	21·3	7,169	23·9
36,000	9,404	26·1	9,876	27·4	9,453	26·3	9,926	27·6
40,000	11,451	28·6	11,713	29·3	11,500	28·7	11,763	29·4
42,000	12,737	30 3	12,894	30·7	12,786	30·4	12,944	30·8
45,000		14,667	32·6			14,716	32·7	
48,000		16,438	34·2			16,488	34·3	
55,000		20,901	38·0			20,950	38·1	
60,000		24,182	40·3			24,232	40·4	
66,000		28,513	43·2			28,563	43·3	
70,000		31,401	44·8			31,451	44·9	
72,000		32,910	45·7			32,960	45·8	
84,000		42,098	50·1			42,148	50·2	
85,000		42,885	50·4			42,935	50·4	
90,000		46,823	52·0			46,873	52·0	
96,000		51,745	53·8			51,795	53·8	
1,00,000		55,026	55·0			55,076	55·0	
1,50,000		98,667	65·8			98,717	65·8	
2,00,000		1,44,604	72·3			1,44,654	72·3	
2,50,000		1,90,541	76·2			1,90,589	76·2	
3,00,000		2,36,478	78·8			2,36,528	78·8	
3,50,000		2,82,415	80·7			2,82,446	80·7	
4,00,000		3,28,353	82·1			3,28,403	82·1	
5,00,000		4,20,228	84·0			4,20,278	84·0	
10,00,000		8,79,603	88·0			8,79,653	88·0	
20,00,000		17,98,353	89·9			17,98,403	89·9	
3000,000		27,17,103	90·6			27,17,153	90·6	

Statement showing in selected cases tax payable and as a percentage of income or incomes ranging from Rs. 3,000 to Rs. 30,00,000—contd.

Income	Tax at 1957-58 rates on Total Income							
	MARRIED PERSONS				MARRIED WITH ONE CHILD			
	Wholly earned	Percentage	Wholly unearned	Percentage	Wholly earned	Percentage	Wholly unearned	Percentage
1	10	11	12	13	14	15	16	17
Rs.	Rs.		Rs.		Rs.		Rs.	
3,000	...	...	...	...	...	...	...	...
3,200	6	0·2	6	0·2	...	...	...	...
3,600	18	0·5	18	0·5	9	0·2	9	0·2
4,200	36	0·9	36	0·9	27	0·6	27	0·6
4,800	54	1·1	54	1·1	45	0·9	45	0·9
5,000	60	1·2	60	1·2	51	1·0	51	1·0
6,000	120	2·0	120	2·0	111	1·8	111	1·8
7,200	192	2·7	192	2·7	183	2·5	183	2·5
8,400	305	3·6	349	4·2	296	3·5	338	4·0
9,600	419	4·4	479	5·0	409	4·3	468	4·9
10,000	457	4·6	522	5·2	447	4·4	510	5·1
12,000	688	5·7	786	6·5	678	5·6	775	6·5
13,200	848	6·4	970	7·3	839	6·4	959	7·3
14,400	1,025	7·1	1,171	8·1	1,015	7·0	1,160	8·1
15,000	1,113	7·4	1,272	8·5	1,103	7·4	1,261	8·4
16,800	1,453	8·6	1,661	9·9	1,444	8·6	1,650	9·8
18,000	1,680	9·3	1,920	10·7	1,670	9·3	1,909	10·6
20,000	2,058	10·3	2,352	11·8	2,048	10·2	2,341	11·7
24,000	3,381	14·1	3,864	16·1	3,381	14·1	3,864	16·1
25,000	3,696	14·8	4,224	16·9	3,696	14·8	4,224	16·9
30,000	5,796	19·3	6,624	22·1	5,796	19·3	6,624	22·1
36,000	8,631	24·0	9,864	27·4	8,631	24·0	9,864	27·4
40,000	10,521	26·3	12,024	30·1	10,521	26·3	12,024	30·1
42,000	11,676	27·8	13,344	31·8	11,676	27·8	13,344	31·8
45,000	13,408	29·8	15,324	34·1	13,408	29·8	15,324	34·1
48,000	15,141	31·5	17,304	36·0	15,141	31·5	17,304	36·0
55,000	19,446	35·4	22,224	40·4	19,446	35·4	22,224	40·4
60,000	22,596	37·7	25,824	43·0	22,596	37·7	25,824	43·0
66,000	26,691	40·4	30,504	46·2	26,691	40·4	30,504	46·2
70,000	29,421	42·0	33,624	48·0	29,421	42·0	33,624	48·0
72,000	30,891	42·9	35,304	49·0	30,891	42·9	35,304	49·0
84,000	39,711	47·3	45,384	54·0	39,711	47·3	45,384	54·0
85,000	40,446	47·6	46,224	54·4	40,446	47·6	46,224	54·4
90,000	44,121	49·0	50,424	56·0	44,121	49·0	50,424	56·0
96,000	48,531	50·6	55,464	57·8	48,531	50·6	55,464	57·8
1,00,000	51,471	51·5	58,824	58·8	51,471	51·5	58,824	58·8
1,50,000	89,971	60·0	1,00,824	67·2	89,971	60·0	1,00,824	67·2
2,00,000	1,28,471	64·2	1,42,824	71·4	1,28,471	64·2	1,42,824	71·4
2,50,000	1,66,971	66·8	1,84,824	73·9	1,66,971	66·8	1,84,824	73·9
3,00,000	2,05,471	68·5	2,26,824	75·6	2,05,471	68·5	2,26,824	75·6
3,50,000	2,43,971	69·7	2,68,824	76·8	2,43,971	69·7	2,68,824	76·8
4,00,000	2,82,471	70·6	3,10,824	77·7	2,82,471	70·6	3,10,824	77·7
5,00,000	3,59,471	71·9	3,94,824	79·0	3,59,471	71·9	3,94,824	79·0
10,00,000	7,44,471	74·4	8,14,824	81·5	7,44,471	74·4	8,14,824	81·5
20,00,000	15,14,471	75·7	16,54,824	82·7	15,14,471	75·7	16,54,824	82·7
30,00,000	22,84,471	76·1	24,94,824	83·2	22,84,471	76·1	24,94,824	83·2

Statement showing in selected cases tax payable and as a percentage of income or incomes ranging from Rs. 3,000 *to Rs.* 30,00,000—concld.

Income	Tax at 1957-58 rates on Total Income—*concld.*							
	MARRIED WITH MORE THAN ONE CHILD				UNMARRIED			
	Wholly earned	Percentage	Wholly unearned	Percentage	Wholly earned	Percentage	Wholly unearned	Percentage
1	18	19	20	21	22	23	24	25
3,000 . . .	...	...	...	...	...	...	...	...
3,200 . . .	...	..	...	...	66	2·1	66	2·1
3,600 . . .	...	...	...	...	78	2·2	78	2·2
4,200 . . .	18	0·4	18	0·4	96	2·3	96	2·3
4,800 . . .	36	0·7	36	0·7	114	2·4	114	2·4
5,000 . . .	42	0·8	42	0·8	120	2·4	120	2·4
6,000 . . .	102	1·7	102	1·7	180	3·0	180	3·0
7,200 . .	174	2·4	174	2·4	252	3 5	252	3 5
8,400	287	3·4	328	3·9	369	4·4	421	5·0
9,600 . . .	400	4·2	457	4·7	482	5·0	551	5·7
10,000 . . .	438	4·3	506	5·0	520	5·2	594	5·9
12,000	669	5·6	764	6·4	751	6·3	858	7·1
13,200 . . .	829	6·3	948	7·2	911	7·0	1,042	7·9
14,400 . . .	1,006	7·0	1,150	8·0	1,088	7·6	1,243	8·6
15,000 . .	1,094	7·3	1,250	8·3	1,176	7·8	1,344	9·0
16,800 . . .	1,434	8·5	1,639	9·8	1,516	9·0	1,733	10·3
18,000 . . .	1,661	9·2	1,898	10·5	1,743	9·7	1,992	11·1
20,000 . . .	2,039	10·2	2,330	11·6	2,121	10·6	2,424	12·1
24,000 . . .	3,381	14·1	3,864	16·1	3,381	14·1	3,864	16·1
25,000 . . .	3,696	14·8	4,224	16·9	3,696	14·8	4,224	16·9
30,000 . .	5,796	19·3	6,024	22·1	5,796	19·3	6,624	22·1
36,000 . .	8,631	24·0	9,864	27·4	8,631	24·0	9,864	27·4
40,000 . . .	10,521	26 3	12,024	30·1	10,521	26·3	12,024	30·1
42,000 . . .	11,676	27·8	13,344	31 8	11,676	27·8	13,344	31·8
45,000 . .	13,408	29·8	15,324	34·1	13,408	29·8	15,324	34·1
48,000 . . .	15,141	31·5	17,304	36·0	15,141	31·5	17,304	36·0
55,000 . .	19,446	35·4	22,224	40·4	19,446	45·4	22,224	40·4
60,000 . . .	22,596	37·7	25,824	43·0	22,596	37·7	25,824	43·0
66,000 . . .	26,691	40·4	30,504	46·2	26,691	40·4	30,504	46·2
70,000	29,421	42·0	33,624	48·0	29,421	42·0	33,624	48·0
72,000 . . .	30,891	42·9	35,304	49·0	30,891	42·9	45,304	49·0
84,000 . . .	39,711	47·3	45,384	54·0	39,711	47·3	35,384	54·0
85,000 . . .	40,446	47·6	46,224	54·4	40,446	47·6	46,224	54·4
90,000 . . .	44,121	49·0	50,424	56·0	44,211	49·0	50,424	56·0
96,000 . . .	48,531	50·6	55,464	57·8	48,531	50·6	55,464	57·8
1,00,000 . . .	51,471	51·5	58,824	58·8	51,471	51·5	58,824	58·8
1,50,000 . . .	89,971	60·0	1,00,824	67·2	89,071	60·0	1,00,824	67·2
2,00,000 . . .	1,28,471	64·2	1,42,824	71·4	1,28471	64·2	1,42,824	71·4
2,50,000 . . .	1,66,971	66·8	1,84,824	73·9	1,66,971	66·8	1,84,824	73·9
3,00,000 . . .	2,05,471	68·5	2,26,824	75·6	2,05,471	68·5	2,26,824	75·6
3,50,000 . . .	2,43,971	69·7	2,68,824	76·8	2,43,971	69·7	2.68,824	76·8
4,00,000 . . .	2,82,471	70·6	3,10,824	77·7	2,82,471	70·6	3,10,824	77·7
5,00,000 . . .	3,59,471	71·9	3 94,824	79·0	3,59,471	71·9	3,94,824	79·0
10,00,000 . . .	7,44,471	74·4	8,14,824	81·5	7,44,471	74·4	8,14,824	82·7
20,00,000 . . .	15,14,471	75·7	16,54,824	82·7	15,14,471	75·7	16,54,824	82·7
30,00,000 . . .	22,84,471	76·1	24,94,824	83·2	22,84,471	76·1	24,94,824	83·2

N. B.— For Hindu undivided families, the amount of tax and percentages are also as shown for married persons' above except that such families are not liable to pay tax if the income is not more than Rs. 6,000 if there are at least two members entitled to claim partition.

ANNEXURES

ANNEXURE I. DISTRIBUTION OF REVENUE AND EXPENDITURE

(In Lakhs of Rupees)

Year	Tax Revenue	Cost of Collection	Net Tax Revenue	Net Revenue from Commercial Departments	Opium (Receipts *less* Expenditure).	Currency and Mint (Receipts *less* Expenditure)	Interest Receipts	Extraordinary Receipts	Other Revenue	Total *net* Revenue	Interest on Debt	Reduction or avoidance of Debt	Extraordinary Payment	Deference Expenditure (Net)	Other Expenditure	Net Capital Outlay of Commercial Department met from Revenue	Total *net* Expenditure	Surplus + Deficit—
1946-47 . .	2,73,04	8,91	2,64,13	10,45	48	13,92	1,37	2,46	37,00	3,29,81	36,66	5,00	2,47	2,07,37	78,90	1	3,30,41	60—
1947-48 . .	1,76,63	3,95	1,72,68	3,28	51	—43	60		9,04	1,85,68	33,31	5,00	1,12	77,57	24,20	..	1,41,20	+44,48
1948-49 . .	3,17,28	7,37	3,09,91	9,66	35	10,50	1,61	14,37	12,52	3,58,92	37,53	5,00	19,45	1,46,06	1,00,03	1	3,08,08	+50,84
1949-50 . .	3,09,33	11,71	2,97,62	9,32	—4	9,14	1,36	1,33	14,30	3,33,03	34,43	5,00	11,54	1,48,86	99,96	..	2,09,79	+33,24
1950-51 . .	3,53,61	10,25	3,43,36	10,40	1,96	9,71	2,13	70	25,20	3,93,46	32,36	5,00	7,03	1,64,13	1,25,60	12	3,34,24	+59,22
1951-52 . .	4,56,59	12,88	4,43,71	10,29	70	8,79	1,77	5,59	23,65	4,94,50	34,00	5,00	10,91	1,70,96	1,45,45	9	3,66,41	+1,28,09
1952-53 . .	3,65,02	11,02	3,54,00	8,96	55	7,22	2,91	3,91	19,90	3,97,45	31,50	5,00	10,15	1,79,52	1,32,20	15	3,58,52	+38,93
1953-54 . .	3,43,13	10,69	3,32,44	9,33	—62	13,14	2,91	2,51	20,22	3,79,93	35,82	5,00	11,78	1,86,30	1,32,46	7	3,71,43	+8,50
1954-55 . .	3,79,75	11,33	3,68,42	9,25	58	17,42	3,86	46	20,21	4,20,20	34,72	5,00	15,25	1,86,66	1,45,02	4	3,86,69	+33,51
1955-56 . .	4,06,97	12,50	3,94,47	9,24	74	19,75	2,84	11	38,89	4,65,84	38,14	5,00	10,49	1,72,23	1,99,49	4	4,25,39	+40,45
1956-57 (Budget) .	4,35,09	14,70	4,20,39	8,12	43	19,02	5,49	53	29,89	4,84,77	30,50	5,00	14,70	2,03,96	2,48,65	..	5,02,81	—18,04
1956-57 (Revised) .	4,72,54	5,07	4,57,47	11,26	59	19,46	5,24	46	32,97	5,27,45	33,21	5,00	12,44	2,02,95	2,35,91	..	4,89,51	+37,94
1957-58 (Budget) .	5,59,84	16,95	5,42,80	10,53	39	29,31	4,90	10,54	56,23	6,54,79	80,00	5,00	23,86	2,52,71	3,07,48	..	6,19,05	+35,74

NOTE 1.—Accounts from 1947-48 to 1955-56 have not been finally closed and the figures given here are only provisional.

NOTE 2.—Figures for 1947-48 are for the period from the 15th August, 1947 to the 31st March, 1948.

ANNEXURE II. ANALYSIS OF TAX REVENUE INCLUDED IN ANNEXURE I

(In Lakhs of Rupees)

Year	Revenue from Customs	Revenue from Union Excise Duties	Cost of Collection	Revenue from Taxes on Income including Corporation Tax (excluding State's share)	Cost of Collection	Revenue from Estate Duty (excluding State's share)	Cost of Collection	Taxes on Wealth	Revenue from Salt	Cost of Collection	Other Tax Revenue	Cost of Collection	Total Gross Tax Revenue	Transfers to Central Road Fund	State's share of divisible Excise Duty	Tax Revenue retained by Union Government	Total Cost of Collection	Total net Tax Revenue
1946-47	89,22	43,03	4.40	1,30,72	1,52	..	..	..	8,97	2,01	2,52	98	2,74,46	1,42	..	2,73,04	8,91	2,64,13
1947-48	72,74	24,38	1,44	78,11	95	..	..	..	80	1,04	1,47	52	1,77,50	87	..	1,76,63	3,95	1,72,68
1948-49	1,26,16	50,63	4,07	1,39,98	1,82	..	..	..	..	..	3,19	1,48	3,19,96	2,68	..	3,17,28	7,37	3,09,91
1949-50	1,24,71	67,85	8,15	1,15,37	2,01	..	..	..	..	..	3,60	1,55	3,11,53	2,20	..	3,09,33	11,17	2,97,62
1950-51	1,57,15	67,54	5,91	1,25,71	2,44	..	..	..	..	..	6,61	1,90	3,57,01	3,40	..	3,53,61	10,25	3,43,36
1951-52	2,31,69	85,78	8,35	1,34,74	2,70	..	..	..	..	..	7,78	1,83	4,59,99	3,40	..	4,56,59	12,88	4,43,71
1952-53	1,73,75	83,03	6,65	1,28,25	3,04	..	..	..	..	..	2,02	1,33	3,87,05	5,20	6,8	3,65,02	11,02	3,54,00
1953-54	1,58,71	94,98	6,11	1,07,08	3,24	..	..	..	..	..	2,51	1,34	3,63,28	4,60	15,55	3,43,13	10,6	3,32,44
1954-55	1,84,87	1,08,22	6,35	1,03,64	3,45	24	..	..	..	..	2,29	1,53	3,99,26	4,40	15,11	3,79,75	33	3,68,42
1955-56	1,66,70	1,45,25	6,76	1,13,24	3,81	—5	..	..	..	..	2,90	1,93	4,28,04	4,50	16,57	4,06,97	12,50	3,94,47
1956-57 (Budget)	1,50,00	1,70,35	8,35	1,34,59	4,36	18	11	..	..	..	2,41	1,88	4,57,53	5,40	17,04	4,35,09	14,70	4,20,39
1956-57 (Revised)	1,71,00	1,88,73	8,42	1,30,85	4,28	11	9	..	..	..	4,07	2,28	4,94,76	4,00	18,22	4,72,54	15,07	4,57,47
1957-58 (Budget)	1,67,60	2,59,57	9,43	1,40,42	4,60	9	9	12,50	..	..	7,03	2,83	5,87,21	4,00	23,37	5,59,84	15,95	5,42,89

ANNEXURE III. ANALYSIS OF INTEREST PAYMENTS INCLUDED IN ANNEXURE I

(In Lakhs of Ru_ees)

Year	Interest on Ordinary Debt	Interest on unfunded debt and other obligations									Total Interest on Unfunded Debt & other Obligations	Amounts transferred to						Total Interest Payments (net)
		Bonus on P.O. Certificates	Post Office Savings Bank	State Provident Funds	Service Fund	Railway Reserve Fund	Railway Development Fund	Railway Depreciation Fund	P. & T Renewals Reserve Fund	Other Items		Railways	Irrigation	Posts and Telegraphs	States	Other Heads	Total Transfers	
1946-47 . .	49,15	1,79	2,49	3,63	18	98	24	3,56	18	4,38	17,43	26,15	6	1,18	1,97	20	29,92	36,66
1947-48 . .	13,73										16,34	13,29	1	53	82	11	14,76	2,31
1948-49 . .	46,77	3,03	2,41	2,53	16	21	44	3,16	18	4,14	16,26	22,36	1	94	1,98	21	25,50	37,53
1949-50 . .	47,86	3,34	2,90	3,18	16	21	42	3,35	17	2,28	16,01	23,18	1	97	2,84	29,44	29,44	34,43
1950-51 . .	45,37	4,63	3,27	3,54	16	33	53	3,59	18	3,63	19,86	26,01	1	1,16	3,28	2,41	32,87	32,36
951-52 . .	46,20	4,65	3,57	3,62	15	76	65	3,58	18	6,23	23,39	26,47	1	1,30	5,19	2,62	35,59	34,00
952-53 . .	44,57	5,18	3,94	4,03	8	1,06	76	4,09	17	6,77	26,09	26,89	1	1,53	7,84	2,89	39,16	31,50
953-54 . .	52,57	6,05	4,21	4,65	14	1,12	74	3,61	17	4,89	25,58	27,41	1	1,73	9,95	2,93	42,03	35,82
954-55 . .	56,82	10,85		4,93	11	1,17	60	3,35	17	4,67	25,85	28,28	1	1,94	15,02	2,69	47,94	34,72
955-56 . .	62,65	12,79		5,61	..	1,35	49	3,26	19	4,69	28,38	30,32	1	2,21	17,89	2,46	52,89	38,14
956-57 (Budget)	72,44	8,67	5,73	5,95	..	1,52	28	3,31	18	5,48	31,12	33,10	1	2,58	33,86	3,51	73,06	30,50
956-57 (Revised)	70,03	8,62	5,87	6,34	..	1,51	54	2,46	20	6,20	31,74	31,66	1	2,50	30,88	3,51	68,56	33,21
957-58 (Budget)	80,44	9,40	6,36	6,75	..	1,60	68	30	23	5,49	33,89	37,11	1	2,77	40,98	3,46	84,33	30,00

ANNEXURE V. ANALYSIS OF EXPENDITURE ON "CIVIL ADMINISTRATION" INCLUDED IN ANNEXURE IV

(In Lakhs of Rupees)

Year	General Administration	Audit	Administration of Justice	Jails and convict settlements	Police	Ports and Pilotage	Lighthouses and Lightships	Ecclesiastical	Payments to Crown Representative	Tribal Areas	External Affairs	Scientific Departments	Education	Medical	Public Health	Agriculture	Rural Development	Veterinary	Co-operation	Industries	Aviation	Broadcasting	Deptt. of Industries and Supplies	Miscellaneous Deptt.	Total
1946-47	6,16	1,72	23	11	1,02	59	10	7	2,36	4,64	4,38	1,48	85	54	50	3,21	..	2	1	1,31	83	94	3,74	4,37	39,68
1947-48	3,39	1,03	8	3	62	28	3	—2	2	62	77	1,13	96	29	30	56	..	13	1	2,71	20	50	..	1,02	14,66
1948-49	7,40	2,27	24	11	1,69	58	10	5	..	99	2,86	2,85	1,44	84	56	1,87	..	37	2	6,20	1,88	1,31	..	1,93	35,56
1949-50	8,96	2,51	25	12	2,10	71	7	5	..	1,24	3,07	3,83	1,66	94	72	1,28	..	31	2	5,13	2,19	1,64	..	2,50	39,30
1950-51	8,89	3,52	45	19	3,04	63	12	—2	..	1,56	3,65	4,35	3,28	1,32	68	2,33	2	32	3	6,55	2,98	1,72	..	3,33	48,80
1951-52	9,94	4,01	42	20	3,80	72	16	..	..	1,74	3,98	5,18	4,08	1,51	80	2,21	2	32	4	6,09	2,66	1,95	..	3,84	53,67
1952-53	9,45	4,37	17	5	2,91	83	20	..	..	2,16	4,19	6,24	3,32	72	69	2,22	..	30	1	5,48	2,72	1,92	..	3,75	51,71
1953-54	10,06	4,81	18	4	3,16	77	19	..	..	3,03	4,56	6,80	4,30	74	87	2,34	..	34	1	12,38	2,39	2,09	..	4,21	64,17
1954-55	11,69	5,32	22	4	4,10	80	23	..	..	3,81	5,44	7,60	9,43	1,23	1,51	3,29	1	34	1	11,61	2,44	2,26	..	3,75	75,11
1955-56	12,70	5,45	21	4	4,17	89	35	..	..	5,01	5,99	8,92	14,23	1,46	2,36	6,57	30	51	6	13,76	2,53	2,68	..	5,89	94,08
956-57(Budget)	14,28	6,04	22	4	5,38	1,15	37	..	..	6,11	6,31	14,59	21,62	4,16	5,29	12,61	53	1,28	1,03	18,11	2,98	3,07	..	10,84	1,35,91
1956-57(Revised)	14,42	6,17	31	9	6,01	95	42	..	..	5,06	7,24	12,27	21,96	3,72	4,45	9,51	52	1,23	1,10	21,62	3,13	3,07	..	10,39	1,33,64
1957-58 (Budget)	15,68	6,62	39	13	7,95	1,05	43	..	..	5,40	7,13	16,43	29,13	5,01	5,78	13,51	75	1,50	1,56	53,16	3,05	3,58	..	12,78	1,91,02

ANNEXURE IV.—ANALYSIS OF "OTHER EXPENDITURE" INCLUDED IN ANNEXURE I

(In Lakhs of Rupees)

Year	Forest Expenditure	Civil Administration	Miscellaneous					Commutation of Pension	Civil Works	Salt and other Capital Outlay met from Revenue	Grants-in-aid, Subvention to States, etc.	Total
			Famine	Superannuation Allowance, etc.	Stationery and printing	Miscellaneous	Total					
1946-47	49	39,68	..	2,80	1,55	28,43	32,78	..	4,21	2	1,72	78,90
1947-48	29	14,66	..	1,09	52	3,33	4,94	..	2,47	..	1,84	24,20
1948-49	68	35,56	..	2,50	2,32	52,07	56,89	..	3,94	..	2,96	1,00,03
1949-50	91	39,30	2	2,61	2,36	47,47	52,46	..	4,33	..	2,96	99,96
1950-51	1,36	48,80	6	6,99	1,54	44,28	52,87	..	6,98	..	15,59	1,25,60
1951-52	1,37	53,67	39	8,55	1,41	54,79	65,14	..	7,96	..	17,31	1,45,45
1952-53	92	51,71	13	7,84	2,64	38,25	48,86	..	7,91	..	22,80	1,32,20
1953-54	1,01	64,17	..	8,60	2,81	20,71	32,12	..	9,25	..	25,91	1,32,46
1954-55	1,21	75,11	..	8,87	2,31	18,68	29,86	..	9,05	..	29,79	1,45,02
1955-56	1,68	94,08	..	8,97	2,43	48,82	60,22	..	7,64	..	35,87	1,99,49
1956-57 (Budget)	3,75	1,35,91	..	8,83	2,27	49,39	60,49	..	10,50	..	38,00	2,48,65
1956-57 (Revised)	**2,98**	**1,33,64**	**5**	**8,97**	**1,85**	**48,28**	**59,15**	..	**10,54**	..	**29,60**	**2,35,91**
1957-58 (Budget)	3,57	1,91,02	..	9,18	2,70	63,85	75,73	..	11,93	..	25,23	3,07,48

ANNEXURE VI

List of New Items of Expenditure costing rupees Five Lakhs and above included in the Budget for 1957-58.

All New Items of expenditure are shown in thick type in Part III of the Demand giving details of provision in each Demand. For this purpose expenditure on new schemes sanctioned in previous years is also treated as new expenditure. The list below shows with brief explanatory notes the provisions in the Budget for 1957-58 in respect of important schemes costing Rs. 5 lakhs and over:—

(In thousands of Rupees)

No. and name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF COMMERCE AND INDUSTRY	
2.—Industries.	DEVELOPMENT OF SMALL SCALE INDUSTRIES	
	The provision has been made for grants to states for development of Small Scale Industries . . .	1,00,00
	DEVELOPMENT COMMISSIONER FOR SMALL SCALE INDUSTRIES	
	The provision of Rs. 18,96,000 includes Rs. 4,50,000 for securing the services of experts from the industrially advanced countries in order to make their knowledge and experience available to small scale industries in all parts of India and Rs. 2,00,000 for the training of Indian technicians abroad in the modern techniques of production . . .	18,96
	INSTITUTES FOR SMALL SCALE INDUSTRIES	
	There are at present four regional, five major and seven branch institutes with 48 extension centres for providing technical assistance to small industrial units. The provision is intended to cover the existing institutes and for the establishment of 12 more extension centres, conversion of five of the existing branch institutes into major institutes and also establishment of two more such institutes—one each at Srinagar and Jaipur. A sum of Rs. 18 lakhs for material and equipment will be met out of the assistance from Ford Foundation	76,22
	DEVELOPMENT OF HANDLOOM INDUSTRY	
	The expenditure on the development of handloom industry will be met partly from the Cess on mill made cloth levied for the purpose . . .	3,00,00
	NATIONAL SMALL SCALE INDUSTRIES CORPORATION	
	The provison is irtended to meet the expenses of the Corporation which will help small scale industries to sell their produce through the Corporation. The Corporation will also provide necessary marketing facilities to small industrial units . . .	18,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF COMMERCE AND INDUSTRY—*contd.*	
2.—Industries—*contd.*	CONTRIBUTION TO INDIAN STANDARDS INSTITUTION	
	The provision is intended to give financial assistance to the Institution, which formulates standards of measurement, quality and performance of materials manufactured or consumed in India . . .	12,80
	EXPORT PROMOTION COUNCILS	
	The provision is intended to contribute partially towards the expenses of the various councils which have been set up to promote India's exports in specified commodities	11,64
	CONVERSION OF HANDLOOM INTO POWERLOOM	
	The provison is intended to defray expenses in connection with conversion of handloom into powerloom with a view to establishing economic efficiency of the handloom industry in pursuance of the recommendations of the Textile Enquiry Committee .	36,00
	NATIONAL INDUSTRIAL DEVELOPMENT CORPORATION	
	The provision is intended mainly for making grants to the Corporation for the purpose of study, investigation and formulation of projects and building up a corps of technical and managerial staff. During the year 1957-58, a number of foreign experts are expected to be invited for study and investigation of projects. Expenditure is also anticipated on the preparation of detailed project reports . .	21,00
	GRANTS FOR SILK INDUSTRY	
	Apart from this, a sum of Rupees Fifty lakhs has been provided as loans	50,00
	GRANTS FOR HANDICRAFTS	
	Apart from this, a sum of Rupees Thirty-four lakhs has been provided for	66,00
	GRANTS FOR VILLAGE INDUSTRY	
	Apart from this, a sum of Rupees Two crores, Two lakhs and fifty thousand has been provided as loans	2,25,00
	GRANTS FOR DEVELOPMENT OF KHADI INDUSTRY	
	Apart from this, a sum of Rupees One crore, thirty lakhs and Seventy five thousands has been provided as loans	1,85,00
	GRANTS FOR THE DEVELOPMENT OF KHADI (AMBAR CHARKHA PROGRAMME)	
	Apart from this, a sum of Rs. 6,97·30 lakhs has been provided as loans	3,11,61

(In thousands of Rupees)

No. and name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF COMMERCE AND INDUSTRY—*contd.*	
5.—Miscellaneous Deptts. and other Expenditure under the Ministry of Commerce and Industry.	TRADE DEMONSTRATION AND PROPAGANDA	
	The provision is intended for organising Indian Exhibitions abroad and for participating in the exhibitions and trade fairs held in foreign countries with a view to popularising Indian products in those countries; and also for supply of Cottage Industries products to exhibitions, trade centres and showrooms in addition to establishment charges therefor .	39,07
104.—Capital Outlay of the Ministry of Commerce and Industry.	ORISSA MINING CORPORATION (PRIVATE) LIMITED	
	In collaboration with the Govt. of Orissa, Government of India has set up the Corporation with an authorised capital of Rs. 50 lakhs, in order to enable it to fulfil certain contracts, which had been entered into by it with foreign governments for the supply of iron ore. The provision is intended to cover the share of the Govt. of India's investment in the authorised capital of the Corporation	22,50
	PURCHASE OF MACHINERY AND EQUIPMENT FOR THE INSTITUTES FOR SMALL SCALE INDUSTRIES	
	In pursuance of the recommendations made by a team of experts under the Ford Foundation, Service Institutes for development of Small Scale Industries have been set up and the provision is intended to cover the purchase of machinery and equipment for them	45,00
	SCHEME FOR THE EDUCATED UNEMPLOYED	
	In pursuance of the recommendations of the Study Group of the Planning Commission on the problem of unemployment among educated persons, it is proposed to impart training to matriculates in the Service Institutes for development of Small Scale industries and, after training, to employ them in the various Production Centres. The provision is intended to cover purchase of raw material, machinery and equipment required for imparting the requisite training	40,00
	PURCHASE OF COTTON UNDER AMERICAN AID PROGRAMME	
	Provision has been included for the expenditure on import of cotton under American Aid Programme .	8,00,00
	INVESTMENT IN THE SHARE CAPITAL OF THE CIVIL EXPLOSIVE FACTORY	
	In pursuance of the decision to establish a new company for the manufacture of India's requirements of commercial blasting and high explosives, the Government of India entered into an agreement with the Imperial Chemical Industries and agreed to contribute 20% of the authorised capital of the company. The present provision of Rs. 10 lakhs represents one call expected to be made during the year 1957-58	

(In thousands of Rupees)

No. and name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF COMMERCE AND INDUSTRY—*contd.*	
104.—Capital Outlay of the Ministry of Commerce and Industry—*contd.*	MATERIAL AND EQUIPMENT UNDER T.C.A. PROGRAMME	
	Provision has been made for the estimated expenditure on distribution of steel proposed to be imported which includes the estimated cost based on prices in World market and the expenditure in India on customs duty, handling and clearing charges etc. The expenditure will be recovered partly by the sale proceeds of steel, partly by credits from the funds made available by U.S. Government and partly from the Iron and Steel Equalisation Fund . .	2,61,63
	REORGANISATION OF THE NATIONAL INSTRUMENTS FACTORY	
	The provision is for the manufacture of optical glass and some other new schemes, *viz.*, manufacture of special types of Microscopes, Medical Diagnostic Instruments, Chemical Thermometre and Spectacles lenses during the Second Five Year Plan as approved by the Planning Commission	20,00
	CAPITAL OUTLAY ON SALT WORKS	
	The development of the existing salt sources is a continuing process and provision made is for (*i*) establishment of test laboratories and model salt farms (*ii*) improvement of brine supply (*iii*) Amenities for staff and labour, etc.	40,00
	PURCHASE OF SHARES OF HINDUSTAN INSECTICIDES LTD.	
	Funds are required for share capital to meet the expenditure of the Hindustan Insecticides Ltd. for expansion of the Delhi Plant and the Second D.D.T. Factory at Alwaye	40,00
	PURCHASE OF SHARES OF HINDUSTAN ANTIBIOTICS LTD.	
	Funds are required for share capital to meet expenditure of the Hindustan Antibiotics Ltd., in connection with the expansion of the Penicillin Plant by 60 per cent	50,00
	PURCHASE OF SHARES OF NANGAL FERTILIZER AND CHEMICALS LTD.	
	The management of this project has been taken over by a Private Ltd. Company known as Nangal Fertilizer and Chemicals (Private) Ltd., with effect from 20th April, 1956 and share capital is required for the construction work, procurement of stores, machinery and equipment etc.	2,00,00

(In thousands of Rupees)

No. and name of Demand	Particualrs	Budget, 1957-58
	MINISTRY OF COMMERCE AND INDUSTRY—*concld.*	
104.—Capital Outlay of the Ministry of Commerce and Industry—*concld.*	PURCHASE OF SHARES OF HEAVY ELECTRICALS (PRIVATE), LTD.	
	The Heavy Electrical Equipment Project of the Government of India has been transferred with effect from 1st October, 1956 to a private limited company known as Heavy Electrical (Private) Ltd. fully owned by the Government. Funds are required to meet the expenditure on the project in the form of share capital	1,00,00
	PURCHASE OF SHARES OF EXPORT RISKS INSURANCE CORPORATION	
	The corporation is intended to offer protection to Indian exporter in respect of certain risks, commercial and political, which are not normally covered by insurance companies. The provision of Rs. 50 lakhs is required for purchasing shares of the Corporation which will be fully owned by Government . .	50,00
115.—Loans and Advances by the Central Govt.	DEBENTURE LOAN TO HINDUTSAN CABLES, LTD.	
	The Hindustan Cables Ltd. will take up the manufacture of Coaxial cables and switch board cables during the Second Five Year Plan. A loan of Rs. 20 lakhs will be advanced to the Company as and when needed	20,00
	LOANS TO SINDRI FERTILIZERS AND CHEMICALS, LTD.	
	A loan of Rs. 154 lakhs will be advanced to Sindri Fertilizers and Chemicals, Ltd. for payment to M/s Montecatini in connection with the expansion programme of that company.	1,54,00
	LOAN TO HINDUSTAN MACHINE TOOLS, LTD.	
	The company is now engaged in the manufacture of 8½″ Centre lathes. It proposes to undertake the manufacture of other types of Machine Tools, *e.g.*, Miling machines, etc. The provision now asked for is for the above purpose	80,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF COMMUNITY DEVELOPMENT	
Demand No. 7—Community Development Projects and National Extension Service.	COMMUNITY DEVELOPMENT PROJECTS	
	Under the Indo-U.S. Operational Agreement No. 8 (and its supplements) with Technical Cooperation Mission 55 Community Development Projects and 53 Development Blocks were started in 1952 and 1953 respectively. The scheduled period of operation of Community Development Projects Blocks allotted during 1952-53 and 1953-54 expired on 30th September, 1956 but the State Governments have been allowed to utilise the unspent balance up to 31-3-1957. In addition, provision for Centre's share of expenditure on 152 Community Development Blocks (1955-56 series) and 250 Community Development Blocks (1956-57 series) converted from N.E.S. Blocks has been made. Besides 100 N. E. S. Blocks are proposed to be converted into Community Development Blocks in respect of which provision has been made. Provision for expenditure on First Aid Kits to be supplied to the State Governments in connection with the Community Development Programme has also been made	4,42,38
	NATIONAL EXTENSION SERVICE	
	It was proposed to cover one-fourth of the country with the N.E.S. during the First Plan period. About 900 N.E.S. Blocks had been taken up during the period 1953-54 to 1955-56. The estimated expenditure on these Blocks is Rs. 4·50 lakhs per Block for the three-year scheduled period of the Block.	
	In addition to these Blocks of 1953-54, 1954-55 and 1955-56 series, provision for 496 Blocks taken up in 1956-57 and 650 Blocks proposed to be taken up in 1957-58 has been made on the basis of revised schematic budget *viz.* Rs. 4 lakhs per Block. Besides provision has been made for Centre's share of 'development expenditure' and 'Local Works' during the post-intensive phase in respect of Blocks that have been normalised on completion of the C.D. Projects/Blocks of 1952-53 and 1953-54 series. Similarly provision for Centres share of 'Committed expenditure' in respect of the aforesaid normalised Blocks as well as 250 N.E.S. blocks converted into C.D. Blocks from 2-10-1956 and 100 N.E.S. Blocks converted into C.D. Blocks from 1-4-57 at Rs. 16.500 per block per annum has also been made.	7,49,66
	DEVELOPMENT OFFICERS' TRAINING CENTRES	
	There are at present three centres for training of Block Development Officers for CD/N.E.S. Areas. These centres were set up on 1-4-1954 with financial assistance from Ford Foundation on agreed basis. These centres have to be continued for imparting	

(In thousands of Rupees)

No. and Name of demand	Particulars	Budget, 1957-58

MINISTRY OF COMMUNITY DEVELOPMENT—*contd.*

No. and Name of demand	Particulars	Budget, 1957-58
Demand No. 7.—Community Development Project and National Extension Service —*contd.*	DEVELOPMENT OFFICERS' TRAINING CENTRES—*contd.* training to the Block Development Officers required up to the end of second Plan period. All the three training centres are being run as Government institutions. In order to meet the increased demand of Block Development Officers, it has been proposed to open one more centre during the year 1957-58. A total provision of Rs. 5,43,000 has been made in the budget estimates for 1957-58 in respect of all the four centres. No recoveries are expected to be made from Ford Foundation	5,43
	SOCIAL EDUCATION ORGANISER' TRAINING SCHEME There are at present nine centres for training Social Education Organizers for Community Development Blocks and National Extension Service. Two of the Centres, which are located at Nilokheri (Punjab) and Ranchi (Bihar), are under the direct control of the Central Government. The remaining seven Centres namely at Udaipur, Allahabad, Sriniketan, Belurmath, Hyderabad, Gandhigram and Baroda are grant-in-aid Centres. A total provision of Rs.9,79,000 has been made in the budget estimates for 1957-58 in respect of the nine Social Education Organisers' Training Centres. The contribution of Rs.76,000 by the Ford Foundation constitutes 'deduct' recoveries against the above budget estimates . . .	9,79
	STUDY TOUR AND In-service TRAINING SCHEME The Community Development/National Extension Service Programmes have been in operation since the last 4 years. It has also been decided to make the N. E. S. the permanent pattern of administration and to cover the entire country with N. E. S. Blocks by the end of the Second Plan period. It was felt that this was the time when specific topics connected with Community Development/National Extension Services Programme could be studied by teams who have been connected with Community Development/National Extension Service programmes so that appropriate approaches may be decided upon for execution of the programme during the Second Plan. A three year programme of study tours and In-service. Training was drawn up in six phases. It envisages all India Study Tours. Inter-State Tours, Inter-Project tours etc., and also appointment of Directors of In-service Training in the States and at the Centre. A provision of Rs. 6,47,000 has been made in the Budget Estimates for 1957-58. Out of this, Rs. 4,83,000 are expected to be recovered from Ford Foundation	6,47

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF COMMUNITY DEVELOPMENT—*concld.*	
Demand No. 7.—Community Development Projects and National Extension Service—*contd.*	ORIENTATION TRAINING OF VILLAGE SCHOOL TEACHERS It has been universally accepted that the village teachers and village school should play an important role in bringing about an alround development of the village. In the past, village school teacher was the focal point around which all the activities in the village used to revolve. For various reasons that position has not continued. Although efforts have been made in the recent past to improve the quality of education in general and to make the school the centre of community activities, yet the success achieved in that direction has far been limited. In a large majority of the school teachers today, the work is confined to a few hours of teaching inside the school room only. In order to enable the teacher to regain the traditional role of social educator in the village, it is essential to equip him to take up this wider responsibility. A scheme has accordingly been prepared to organise a training programme for the village school teachers which aim at Develop-ing among the village teachers an understanding of the problem and purposes of rural reconstruction programme so as to enable them to function effectively as social educators. This scheme of raining of village school teachers is to be nnan ed in full from Ford Foundation assistance during the first year of its operation, *i.e.*, 1957-58 . .	14,43
Demand No. 105.—Capital Outlay of the Ministry of Community Development.	In regard to the Projects and Blocks which are covered by the Indo-U.S. Operational Agreement No. 8 (and its Supplements) the dollar portion of the cost will be contributed by the T.C.A. in the form of equipment. In respect of the Community Development Projects and Blocks that have so far been covered by the aforesaid agreeement the U.S.A. Government have agreed to contribute 12,8 million dollars. Budget provision for both dollar and incidental rupee expenditure for 1957-58 has been made. This provision has been made of the basis of the supplies likely to be received during that year.	1,67,49
	COMMUNITY DEVELOPMENT SCHEMES	
Demand No. 115.—Loans and Advances by the Central Government.	Provision for grant of loans to States. . . .	5,27,00
	NATIONAL EXTENSION SERVICE	
	Provision for grant of loans to States	3,73,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF EDUCATION AND SCIENTIFIC RESEARCH	
15—**Survey** of India.	PURCHASE OF STORES	
	Customs duty, insurance charges etc. on the photogrammetric material and equipment worth Rs. 12,30,000/ which is being imported under the T.C.A. programme	5,00
	COST OF EQUIPMENT UNDER T.C.A. PROGRAMME	
	Lump sum provision for the cost of photogrammetric material and equipment in connection with the programme for expansion and mechanisation of the Survey of India during the Second Five Year Plan period.	12,30
	Cost of Photography and supply of contract prints to be paid to the Indian Sir Force and Air Survey Company	8,80
	STORES	
18.—**Geological** Survey of **India.**	The provision has been included in the Budget Estimates for 1957-58 for equipment required by the Geological Survey of India under the Second Five Year Plan for stores under 'Charges in England' . . .	5,92
19.—**Scientific** Research.	GRANTS-IN-AID AND DONATIONS TO SCIENTIFIC SOCIETIES AND INSTITUTES	
	The Government of India have been giving grants-in-aid to certain Research Institutes which play an important part in the scientific advancement of the country both by carrying out research and by training young scientists in the various specialised resarch activities going on at the institutes. To enable them to meet their recurring as well as non-recurring expenditure, a provision of Rs. 32,08,400 has been made in the next year's budget. Among the Institutions and Scientific Societies which have been in receipt of grants, mention may be made of :—	
	1. Indian Association for the Cultivation of Science, Calcutta.	
	2. Indian Academy of Science, Bangalore.	
	3. Bose Institute, Calcutta.	
	4. Birbal Sahni Institute of Palaeobotany, Lucknow.	
	5. National Institute of Scientific of India, New Delhi.	
	6. Himalayan Mountaineering Institute, Darjeeling.	
	7. Indian Science Congress Association, Calcutta.	
	8. Bombay Natural History Society, Bombay.	
	9. Physical Research Laboratory, Ahmedabad.	
	10. Indian Science News Association, Calcutta.	32,23

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF EDUCATION AND SCIENTIFIC RESEARCH—*contd.*	
19.—Scientific Research—*contd.*	COMPILATION OF NATIONAL ATLAS OF INDIA	
	The National Atlas Organisation started functioning from 1955 in connection with bringing out the National Atlas of India during the Second Five Year Plan. It will, therefore, be necessary to recruit the staff and to purchase the drawing material and other equipment in connection with the preparation of the National Atlas	5,00
	GRANTS-IN-AID TO THE COUNCIL OF SCIENTIFIC AND INDUSTRIAL RESEARCH	
	Provision is for payment of grants-in-aid to the Council of Scientific and Industrial Research. . .	2,50,00
20.—Other Scientific Departments.	GRANTS AND DONATIONS	
	This item contains provisions in respect of the following schemes :—	
	(*i*) *Grants to States for development of Scientific and Technical Education.*	
	A provision of Rs. 1,10,20,000 has been included in the Budget for 1957-58 for Grants to State Governments for development of Scientific and Technical Education and Research in State Governments' non-University Institutes	1,10,20
	(*ii*) *Direct Grants by Central Govt. for development of Scientific and Technical Education.*	
	A provision of Rs. 90 lakhs has been included in the budget for 1957-58 for direct grants to Non-University Institutes for development of Scientific and Technical Education and Research	90,00
	(*iii*) *Award of Research Training Scholarships*	
	This scheme was instituted in 1949-50 on the recommendation of Scientific Manpower Committee with the twin objective of training research workers and promoting scientific and technological research in Universities and other educational Institutions. Two types of award are now made under the scheme *viz.*, Research Scholarships for work at doctorate level and National Fellowship for work at post doctorate level	13,00
	(*iv*) *Award of Practical Training Stipends*	
	This scheme was instituted in 1949-50 on the recommendations of Scientific Manpower Committee to enable Engineering graduates and diploma holders to undergo practical training in industrial establishments in order to condition them for gainful employment.	8,00
	(*v*) *Indian Institutes of Sciences, Bangalore.*	
	In addition to the normal non-lapsable block grant of Rs. 21 lakhs per annum for normal activities of the Institute, a provision of Rs. 5 lakhs has been made for possible grants to the Institute for implementation of the recommendations of the Reviewing Committee of the Institute and another sum of Rupees 25 thousand for raising and running of the N.C.C. Unit	26,25

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF EDUCATION AND SCIENTIFIC RESEARCH—*contd.*	
21.—Education.	GRANTS-IN-AID TO THE UNIVERSITY GRANTS COMMISSION	
	Consequent on the establishment of the University Grants Commission, grants to all Universities in general and maintenance etc. grants to the Central Universities in particular are being given by the Commission. The Commission gives grants to Universities and the constituent colleges of Delhi University for development of the study and research in general and scientific and technical education. Against a provision of Rs. 350 lakhs for 1956-57 for grants to Universities, a provision of Rs. 417 lakhs has been made for 1957-58. A sum of Rs. 27 crores has been allotted for Grants-in-aid to University Grants Commission under the second Five Year Plan	4,17,00
	EXPENDITURE ON SCHOLARSHIPS TO STUDENTS OF SCHEDULED CASTES, SCHEDULED TRIBES AND OTHER BACKWARD CLASSES.	
	A provision of Rs. 150 lakhs has been made for 1957-58 as against a provision of Rs. 149 lakhs for 1956-57 in this connection. It is proposed to award about 31,000 (both renewal and fresh awards) scholarships to Scheduled Castes, Scheduled Tribes for their post-matric studies for 1957-58	1,50,00
	SCHOLARSHIPS TO FOREIGNERS FOR STUDIES IN INDIA	
	Under the scheme, students from certain Asian, African and other Commonwealth countries are awarded scholarships for studies in India. The object of the scheme is to promote cultural relations between India and these countries	13,89
	SCHOLARSHIPS FOR STUDIES AND TRAINING ABROAD	
	The provision of Rs. 12·03 lakhs made for 1957-58 is intended to cover scholarships under the schemes.	12,03
	STIPENDS FOR STUDIES IN TECHNICAL AND OTHER INSTITUTES IN INDIA	
	This item contains provision for the following schemes :— Scholarships for studies in Social Sciences, Research Scholarships in Humanities, Cultural Scholarships to Young Artists, Scholarships for studies in Hindi to candidates from non Hindi speaking areas and Post-matric merit Scholarships	6,34
	PROMOTION OF HINDI—GRANTS TO STATES GOVERNMENTS	
	A provision of Rs. 5 lakhs has been made for 1957-58 for Grants to State Governments for the promotion of Hindi	5,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF EDUCATION AND SCIENTIFIC RESEARCH—*contd.*	
21.—Education—*contd.*	PROMOTION OF HINDI—OTHER GRANTS	
	The provision of Rs. 7·61 lakhs made for 1957-58 is intended for the Central Schemes under the Plan for development of Hindi, *viz.*, Hindi Encyclopaedia, Grants to Organisations, Prizes on Hindi Books, Preparation of Dictionaries, etc.	7,61
	PRE-PRIMARY, ELEMENTARY AND BASIC EDUCATION, BASIC WOMEN'S EDUCATION, AUDIO-VISUAL AID TO EDUCATION, LIBRARY DEVELOPMENT AND RELIEF OF EDUCATED UNEMPLOYED.	
	The provision is to cover Central Assistance to the State Governments for the development of Pre-primary, Elementary and Basic Education, etc.	5,20,00
	SECONDARY EDUCATION, RURAL HIGHER EDUCATION, EDUCATIONAL AND VOCATIONAL GUIDANCE, EDUCATION OF THE HANDICAPPED AND JUVENILE DELINQUENCY.	
	The provision is to cover Central assistance to State Governments for the development of Secondary Education, Rural Higher Education, Educational and Vocational Guidance, Education of the handicapped and juvenile delinquency	4,25,00
	REVISION OF PAY-SCALE OF SCHOOL TEACHERS	
	In 1956-57 the Cabinet approved the scheme ' improvement of primary school teachers salaries'. The Central share of expenditure on this scheme during 1956-57 is expected to be Rs. 1 crore approximately. The State Governments were informed of the decision in October, 1956. A provision of Rs. 2 crores has been made for 1957-58 .	2,00,00
	ESTABLISHMENT OF PLANNING AND STATISTICAL UNIT	
	Grants to State Govts. for Schemes on " Establishment of Planning and Statistical Unit "	55,80
	DEVELOPMENT OF WOMEN'S EDUCATION AT THE COLLEGIATE LEVEL	
	In connection with the State Educational Development Programme for 1956-57, Central assistance was given to State Governments for this scheme on the basis of 50% of the total expenditure involved. The provision of Rs. 11 lakhs made for 1957-58 is intended to cover Central assistance n the same lines during 1957-58 also	11,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF EDUCATION AND SCIENTIFIC RESEARCH—*contd.*	
21.—Education—*contd.*	PRE-PRIMARY, ELEMENTARY AND BASIC EDUCATION, BASIC WOMEN EDUCATION, AUDIO-VISUAL AID TO EDUCATION, LIBRARY DEVELOPMENT AND RELIEF OF EDUCATED UNEMPLOYED.	
	This item contains provision for the following schemes :— National Institute of Basic Education, Production of Literature and Material for Basic School Teachers, Expansion of Girl Education and Training of Women Teachers, Eeducation Survey, Post Basic School, All India Council for Basic Education, Voluntary Organisation working in the field of Basic and Social Education, National Fundamental Education Centre, Social Education for Urban Areas, Production of Literature for Children and Neo-literates, National Book Trust, Production of Literature for Social Education Workers, Library Institute for Training of Librarians, Evening Institute of Social Education for Workers, Establishment of Central Institute for Audio-Visual Education and Central Audio-Visual Education Scheme	84,10
	SECONDARY EDUCATION, RURAL HIGHER EDUCATION, EDUCATIONAL AND VOCATIONAL GUIDANCE, EDUCATION OF THE HANDICAPPED AND JUVENILE DELIQUENCY.	
	This item contains provision for the following schemes :— Research in problems connected with secondary education, Introduction of Agricultural Courses, Appointment of Hindi Teachers, Central Bureau of Text Book Research and Vocational Guidance, Establishment of National College of Physical Education, Scheme for National Discipline, Public School, Scouting and Guiding, Student Health Centre, Labour and Social Service Camps and Campus Works Projects, Rural Higher Education, Voluntary Organisation working in the field of Secondary Education, Short-term Regional Courses for Teachers of Blind, Administration of Sheltered Workshop for the Blind, Survey on the incidence of the handicapped, Administration of the Workshop for the Manufacture of Braille Appliances, Voluntary Organisation for the handicapped, Research in Social Welfare, Award of Scholarships to the Deaf, Award of Scholarships to the Adult Blind, Scholarships for the Orthopaedically handicapped children, Scholarships for the Mentally handicapped Children, Voluntary Organisation for Child Welfare, Employment Organisation for the Blind and Promotion of Inter-State understanding	
	PHYSICAL EDUCATION, SPORTS AND YOUTH WELFARE	
	This item contains provision for the following schemes :— *Physical Education.*—Grants for sportsmen, Guest Houses, Construction of Stadia, Appointment of Cadre of Coaches and paid Secretaries, Purchase of films, film strips on sports, etc.	

(In thousands of Rupee)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF EDUCATION AND SCIENTIFIC RESEARCH—*contd.*	
21.—Education—*contd.*	*Sports and Games.*—Grants for strengthening of colleges of physical education, Physical efficiency tests, Seminars on physical Education, etc. . .	52,00
	ALL INDIA COUNCIL FOR SECONDARY EDUCATION	
	This item pertains to the Grants-in-aid towards the maintenance and activities of the All India Council for Secondary Education and its other Schemes .	36,00
	EDUCATIONAL AND LITERARY ORGANISATIONS	
	The provision is intended for sanctioning grants to various educational and literary organisations .	7,52
	OTHER GRANTS	
	This item contains provision for the following schemes :—	
	Three National Academies, Bal Bhavan, Revision of Gazetteers, Strengthening of Existing Institutions of Higher Learning of All India Importance, Revival of Sanskrit and appointment of Sanskrit Commission, Assistance for Publication of Rare Manuscripts and the Publication of the Merits, Establishment of the Central Institute of Indology, Assistance to Colleges for Improvement of Education and Re-organisation and Development of Museums	1,78,13
	CULTURAL DELEGATIONS TO AND FROM FOREIGN COUNTRIES.	
	A provision of Rs. 21,80,000 has been made for 1957-58 in this connection. It has been the policy of the Govt. to promote mutual goodwill and understanding between India and other countries. . . .	21,80
	MATERIAL AND EQUIPMENT UNDER T.C.A. PROGRAMME	
	Provision has been made for in respect of the following institutions :—	
	(*i*) Indian Institute of Technology, Kharagpur (*ii*) Secondary Education Institution	39,37
	MATERIAL AND EQUIPMENT UNDER UNESCO PROGRAMME	
	Provision has been made in respect of Western Higher Technological Institute, Bombay	32,57

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58

MINISTRY OF EDUCATION AND SCIENTIFIC RESEARCH—*contd.*

No. and Name of Demand	Particulars	Budget, 1957-58
21.—Education.—*concld.*	OTHER ITEMS The provision under this item covers expenditure in connection with meeting of Committees and Conference, All India Council for Technical Education, Cultural Activities, Physical Education Activities, Sports, Youth Festivals, Youth Camps, Publication of pamphlets and brochures, purchase of Educational films and film-strips, etc.	30,78
22.—Miscellaneous Departments and Expenditure under the Ministry of Education and Scientific Research.	CONTRIBUTIONS A provision of Rs. 5,20,700 has been made for 1957-58 towards— (*i*) Contributions to Indian Council for Cultural Relations, (*ii*) Maintenance of Victoria Memorial Hall, (*iii*) Grants for the payment of Dearness Allowance to the staff of the Victoria Memorial Hall, and (*iv*) Repairs to the buildings, Roads and Pathways of the Victoria Memorial Hall	5,21
	GRANTS-IN-AID TO THE CENTRAL SOCIAL WELFARE BOARD The Social Welfare Board functions under the administrative control of the Ministry of Education. The programme of the activities of the Board during 1957-58 includes grants to voluntary institutes working in the field of Social Welfare. grants for the welfare extension projects and for the construction of buildings for the project centres, grants to State Social Welfare Advisory Boards, Training of Gramsevikas, Dais, etc., Purchase of mobile vans for the project centres and publicity, etc. .	1,25,00
	CONTRIBUTION TO UNESCO As a member State of UNESCO the Govt. of India is committed to pay such yearly contributions as the General Confecence of UNESCO may decide from time to time. The General Conference of UNESCO is now held biennially and as such it decides the percentage of contribution of each member state for two years succeeding the year in which the General Conference is held. The exact amount of India's contribution cannot be stated at this stage. A provision of Rs. 16 lakhs has, however, been made for 1957-58	16,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF EDUCATION AND SCIENTIFIC RESEARCH—*concld.*	
107.—Capital Outlay of the Ministry of E. & S. R	Grant to the Council of Scientific and Industrial Research to meet expenditure on construction of buildings, installations of services, purchase of basic unit and other pilot plan equipment etc., laboratory furniture books and other miscellaneous expenditure on pilot plan, such as purchase of raw material for the various National Laboratories and Research Institutes and Research Centres under the auspices of the Council of Scientific and Industrial Research.	50,00
	EQUIPMENT ETC. FOR THE COUNCIL OF SCIENTIFIC AND INDUSTRIAL RESEARCH UNDER THE COLOMBO PLAN AND THE T.C.A. PROGRAMME.	
	A sum of Rs. 60 lakhs is estimated as the cost on technical aid expected to be received under the above programmes during 1957-58	
	T.C.A. programme : Rs. 50 lakhs. Colombo Plan : Rs. 10 lakhs	60,00
	EQUIPMENT FOR GEOLOGICAL SURVEY OF INDIA	
	For equipment to the Geological Survey of India, under Second Five Year Plan	10,00
115.—Loans and Advances by the Central Government	LOANS TO THE NATIONAL RESEARCH DEVELOPMENT CORPORATION.	
	Provision is for payment of a loan to the National Research Development Corporation . . .	10,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget 1957-58
	MINISTRY OF EXTERNAL AFFAIRS	
23.—Tribal Areas	Strengthening of Assam Rifles Wireless Unit	10,00
	Lump provision for A. R. Training Centre and Boy's Company	5,00
	Provision for Relief Measures in Tribal Areas	50,00
	Provision for Subsidy, Supply Dropping Equipment in North East Frontier Agency	60,00
	Lump provision for construction of Air Strips	7,20
	Provision for general revision of scale of pay in N.E.F. Agency	5,00
	Lump provision for National Extension Blocks	12,89
24.—External Affairs	Provision for discretionary expenditure	5,01
	Payment of subsidies to Sikkim and Bhutan	68,00
	Entertainment Charges	17,37
	Expenditure on Development Measures	6,61
	Expenditure on India's Delegation to the International Supervisory Commission in Indo-China	52,34
25.—State of Pondicherry	Development Schemes approved in the Second Five Year Plan	90,00
	Construction of New Pier at Pondicherry	20,00
	Purchase of Medicines for Medical and Public Health Establishments	7,50
	Purchase of Medicines for Govt. Pharmacy	7,00
	Payment to Govt. of Madras for 66 KW Line	7,60
	Purchase of reserve stock for Electricity Department	12,00
108.—Capital Outlay of the Ministry of External Affairs.	Cost of procurement of foodstuffs and other essential commodities for Tribal Areas	30,00
115.—Loans and Advances by the Central Govt.	Loan to Indonesian Governments	12,00
	Loans to other local Funds, Private Parties, etc. Loans to Municipalities in Pondicherry	11,50

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget 1957-58
	MINISTRY OF FINANCE	
28.—Customs . . .	PURCHASE AND MAINTENANCE OF LAUNCHES	
	This includes provision for purchase of new launches and for the maintenance of the existing launches of the Custom Houses, used for anti-smuggling operations	30,81
38.—Miscellaneous Departments and other Expenditure under the Ministry of Finance	CONTRIBUTION TO UNITED NATIONS ORGANISATION	
	India's contribution to the United Nations for providing technical assistance under their expanded Programme of Technical Assistance for the year 1957. This is Rupee equivalent of $5,00,000 calculated at the rate of Rs. 4·76 to a dollar . . .	23,81
	LOCAL COST OF EXPERTS	
	Government of India have agreed to make a lump payment in advance of a specified sum every year for meeting local costs of experts assigned under the expanded Programme of Technical Assistance of the United Nations. The amount so paid is recoverable from the various Ministries and State Governments who utilise the services of the experts.	12,20
	SCHEMES FOR PUBLIC CO-OPERATION	
	The provision is for such schemes of training as may be specifically accepted by the Finance Minister to popularise the ideas of Public Cooperation in the Country-side	10,00
	ASSISTANCE TO STATES FOR EXPENDITURE INCURRED DUE TO NATURAL CALAMITIES AND SCARCITY AFFECTED AREAS	
	Assistance under this head is being given since 1950-51 to cover a certain portion of the expenditure incurred by the State Governments on relief during natural calamities	7,00,00
Charged—Grants in aid to States.	GRANTS IN AID TO STATES	
	(a) Grants under the Constitution Under Article 273	3,15,00
	Under Article 275(1)	13,20,00
	Under Provisos to Art. 275(1)	6,44,89
	(b) Other Grants-in-aid Under Section 74 of the S. R. Act, 1956 .	2,36,77

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget 1957-58
	MINISTRY OF FINANCE—*contd.*	
109.—Capital Outlay on India Security Press	QUARTERS FOR THE STAFF OF INDIA SECURITY PRESS This represents 2/3rd of the estimated expenditure of Rs. 10·6 lakhs, during 1957-58 (the balance of Rs. 4·24 lakhs being provided under Capital Outlay on Currency and Coinage) for the construction of residential quarters for labour and staff of India Security Press and Currency Note Press, including a hospital, approved in the 2nd Five Year Plan at a total estimated cost of Rs. 84 lakhs for the entire Plan period .	6,36
110.—Capital Outlay on Currency and Coinage	QUARTERS FOR THE STAFF OF CURRENCY NOTE PRESS AND EXPANSION OF CURRENCY NOTE PRESS This comprises (i) Rs. 4·24 lakhs for residential quarters for the staff (as explained against previous item) (ii) Rs. 20 lakhs being cost of building for the proposed new Currency Note Press, and (iii) Rs. 45·82 lakhs for Plant and Machinery for the proposed new Currency Note Press	70,06
111.—Capital Outlay on Mints	QUARTERS FOR THE STAFF OF MINTS AT CALCUTTA AND BOMBAY AND RESIDUAL WORK CONNECTED WITH THE ERECTION OF SILVER REFINERY PROJECT This comprises (i) Rs. 55 lakhs for residential colony for the staff of Mints at Calcutta (Rs. 15 lakhs) and Bombay (Rs. 40 lakhs) included in the Second Five Year Plan at a total estimated cost of Rs. 68 lakhs and Rs. 118 lakhs, respectively, for the Plan period (ii) Rs. 17 lakhs representing the expenditure on the Silver Refinery Project to complete the residual work on the project included in the First Five Year Plan (total estimated cost for the entire scheme was Rs. 88 lakhs)	72,10
114.—Other Capital Outlay of the Min. of Finance	MATERIALS AND EQUIPMENT UNDER T.C.A. PROGRAMME AND COLOMBO PLAN The U.S. Government is assisting India under the Technical Cooperation Programme Agreement of Jan. 1952 in a number of development projects in the Five Year Plan. Assistance is also being received from Australia and Canada under the Colombo Plan for a number of schemes. The Assistance is in the form of equipment and supplies for the Central and State Government Schemes. The budget provision account of the cost of the equipment for the Central schemes is made by the Ministries concerned, while the provision for the equipment received for the River Valley and Power Schemes is made by the Department of Economic Affairs. The cost of the equipment is treated as loan to the State Governments and is recovered in easy instalments over a number of years. In the case of equipment for the Railways, the cost is recovered in cash from the Railway Ministry. The cost of the raw materials is recovered from the Indian Trade in the private sector. The amount recovered is to be credited	

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget 1957-58
114.—Other Outlay of the Ministry of Finance—*contd.*	to the Special Development Fund. The following provision has been made for next year for these purposes.—	
	(a) River Valley and Irrigation Projects.— Rihand Valley Development. (b) Improvement of Rajasthan Power Facilities (c) Indian Railways	3,34,00
	LOCAL DEVELOPMENT WORKS	
	Assistance under the Local Development Works Programme is being afforded since 1953-54 to all States on a matching basis for small schemes which are intended to fulfil the pressing needs of the Community and towards which the people themselves contribute in cash, kind or through free voluntary labour. Sinking of and repairs to wells, laying out of approach roads in rural areas, construction of buildings for elementary schools, dispensaries etc. are the kind of schemes taken up under the programme . .	6,00,00
	PURCHASE OF SHARES OF JOINT STATE FINANCIAL CORPORATION FOR PUNJAB AND DELHI	
	The Union territory of Delhi has decided to join the Punjab State for the purpose of converting the existing Punjab Financial Corporation into a Joint Financial Corporation for Punjab and Delhi. The Delhi Administration will be required to subscribe Rs. 16 lakhs towards the share capital of the proposed Joint Financial Corporation	16,00
115.—Loans and advances by the Central Government	TO THE INDUSTRIAL FINANCE CORPORATION	
	The aggregate amount of the loans applied for during the year ended 30th June, 1956 was more than double that of previous year and the number of applications received was also almost double. The aggregate amount of loans sanctioned was likewise more than twice that of the previous year. With the rising tempo of industrialisation the activities of the Corporation are increasing at a fast pace. The amount of loans disbursed from 1st July, 1956 to 30th November, 1956 aggregated Rs. 3·93 crores. During the current financial year the Corporation has been sanctioned loans amounting to Rs. 6 crores under Section 21(4) of the Industrial Finance Corporation Act, 1948	4,00,00
	LOANS TO THE REHABILITATION FINANCE ADMINISTRATION	
	Under Section 11(1) of Rehabilitation Finance Administration Act, 1948, the Central Government may from time to time advance money to Rehabilitation Finance Administration for its business. The advances are repayable and bear interest at the rate of 3%	1,00,00

(In thousands of Rupe

No. and Name of Demand	Particulars	Budget 1957-58
	MINISTRY OF FINANCE—*concld.*	
115.—Loans and Advances by the Central Government—*concld.*	LOANS TO STATES UNDER THE SCHEME OF SHARING SMALL SAVINGS COLLECTIONS	
	With a view to provide incentive to the State Governments to promote the Small Savings Movement, loans are granted out of the Small Savings collections for their development schemes on a certain formula which takes into account the collections in the States during the last three years of the first Plan and the collections made during the year . .	25,00,00
	LOANS FOR MISCELLANEOUS DEVELOPMENT SCHEMES	
	The provision is towards Central assistance to State Governments for financing miscellaneous development schemes in the State Plans . . .	47,35,00
	LOANS FOR EXPENDITURE INCURRED DURING UNFORESEEN NATURAL CALAMITIES	
	Assistance under this Head is being given since 1952-53 to cover certain portion of the expenditure incurred by the State Governments on relief during natural calamities	5,00,00
	LOANS TO THE RE-FINANCE CORPORATION	
	Under the Agricultural Commodities Agreement with U.S.A. (P. L. 480) of August 1956, a part of the loan advanced by that Government will be reloaned to private enterprise through established banking facilities under procedure to be agreed upon between two Governments. The Re-finance Corporation is accordingly being set up and it is estimated that during 1957-58, a loan of Rs. 15 crores would be advanced to the Corporation for re-lending to private enterprise	15,00,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF FOOD AND AGRICULTURE	
43.—Forest . . .	SOIL CONSERVATION RESEARCH TRAINING AND DEMONSTRATION CENTRES INCLUDING DESERT AFFORESTATION	
	The provision is for the running of the existing six Soil Conesrvation Centres, with two sub-centres and for the establishment of a seventh centre at Chhatra (Nepal). One more centre is expected to be set up to deal with red soil	26,70
	EXTENSION CENTRE IN RAJASTHAN	
	The scheme is for the development of Rajasthan desert. It is closely linked with Desert Research and Experiments' scheme. Main purposes of the scheme are afforestation, grass land management and water development in Rajasthan Desert. It is expected that about 20,000 acres will be covered by soil conservation work in 1957-58	10,00
	SOIL SURVEY AND PLANNING SCHEME	
	This scheme provides for soil survey throughout India for soil conservation purposes . . .	8,05
	CENTRAL FORESTRY SCHEMES	
	Provision is in respect of the following schemes: Development schemes of the Forest Research Institute, setting up of Regional Forest Research Centres, Establishment of seasoning and preservation Plants Forestry Commission. The Forest Research Laboratory at Bangalore has been taken over and this along with other unit at Coimbatore will be developed into a Forest Research centre in Forestry in the South. It is also proposed to start another centre in the Eastern Region	16,00
	STATE FORESTRY SCHEMES	
	Provision is for subsidy to the States for their States Forestry schemes	20,00
	NATURE CONSERVANCY SCHEMES	5,00
	MATCHWOOD PLANTATIONS	6,00
	DEVELOPMENT OF FOREST RESEARCH	
	Provision is for the cost of material and stores to be procured under the T.C.A. Programme . .	8,60

(In thousands of Rupees)

No. and name of Demand	Particulars	Budget, 1957-58

MINISTRY OF FOOD AND AGRICULTURE—*contd.*

No. and name of Demand	Particulars	Budget, 1957-58
44.—Agriculture . .	LOCUST CONTROL SCHEME	
	Provision represents the cost of material and equipment to be imported under the Colombo Plan for the Locust control scheme	12,53
	ESTABLISHMENT OF RESEARCH-CUM-TESTING CENTRES FOR BULLOCK-DRAWN AGRICULTURAL IMPLEMENTS	
	The provision is for research schemes of I. C. A. R. worked at the Indian Agricultural Research Institute	9,57
	CENTRAL MECHANISED FARM, SURATGARH	
	The provisiou is for the scheme of bringing under cultivation with the help of gift machinery received from the Govt. of U.S.S.R. of 30,670 acres of culturable waste lands in Tahsil Suratgarh, District Shriganganagar in Rajasthan State . . .	7,50
	GROUND WATER EXPLORATION PROJECT	
	Under this scheme the drilling of about 400 exploratory bores in 16 different patrs of India is contemplated with a view to obtaining recessary geological and hydrological data for delienating areas suitable for large scale tubewell construction for irrigation purposes. Provision includes Rs. 8,18,000 on account of dollar cost of stores to be imported from abroad. .	1,62,25
	KEY VILLAGE SCHEME	
	Provision for meeting Central Government's share of expenditure on the All India Key Village Scheme to be implemented in the various States including union territories	47,00
	GOSHALA DEVELOPMENT SCHEME	
	Provision for meeting Central Government's share of expenditure on the Goshala Development Scheme in the various States	5,00
	SCHEME FOR MULTIPLICATION AND DISTRIBUTION OF IMPROVED SEEDS	
	Provision to meet non-recurirng expenditure of the State Governments on the establishment of seed farms in the States	1,95,63
	DAIRY DEVELOPMENT SCHEME	
	Provision to meet non-recurring expenditure in respect of development of dairy industry in the States .	80,00

(In thousands of Rupees)

No. and name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF FOOD AND AGRICULTURE—*contd.*	
	POULTRY DEVELOPMENT SCHEME	
44.—Agriculture—*contd.*	Provision is intended to meet the central share of expenditure in the implementation of the All India Poultry Development Scheme in the States (also includes cost of equipment under T. C. A. programme).	30,60
	GROW MORE FOOD SCHEME	
	Provision for giving subsidy to States as also provision for meeting expenditure of Union Territories for implementation of G. M. F. Schemes . .	2,65,00
	IMPROVEMENT OF LAND RECORDS AND AGRICULTURAL STATISTICS	
	Provision is required for assisting States for bringing improvements in land records and agricultural statistics	9,00
	CANE DEVELOPMENT AND REGULATION OF SUGAR INDUSTRY	
	Provision for subsidy to the State Governments for Sugarcane Development schemes	48,50
	Grant to the Indian Central Sugarcane Committee .	6,00
	TRAINING OF VILLAGE LEVEL WORKERS	
	The provision is intended to cover the Cost of material and equipment to be received under the T. C. A. Programme in connection with the implementation of the scheme of Extensions Training Centres and Basic agricultural Schools wings and home science centres	5,80
	TRAINING SCHEME FOR TRACTOR OPERATORS	
	A training centre for providing training in the proper maintenance, utilisation and operation of tractors and other agricultural machinery and to demonstrate proper methods for variou agricultural operations, has been established at Budni (Bhopal) with equipment obtained under the T. C. A. Programme. It is proposed to train about 112 persons each year. The amount includes provision for land clearance, irrigation, purchase of P. O. L. spare parts, etc.	7,47
	MANURIAL AND AGRONOMIC TRAILS—GRANTS TO I.C.A.R.	
	Provision relates to the manurial trials to be carried out on cultivators fields in all districts having assured rainfall or irrigation facilities throughout the country and for the model agronomic experiments to be conducted at 34 centres in the country	5,00

(In thousands of Rupees)

No. and name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF FOOD AND AGRICULTURE—*contd.*	
	AGRICULTURAL INFORMATION LITERATURE	
44.—Agriculture—*contd.*	Provision for supplying agricultural information literature to Village Level Works and Block Development Officers of the National Extension Service Blocks with a view to equip them with the latest agricultural information to enable them to disseminate informtion on agricultural animal husbandry and allied subjects to the farmers and the field workers	8,00
	HIGHER AGRICULTURAL EDUCATION	
	Provision represents the cost of equipments etc. in connection with the strengthening of the Agricultural Research and Educational Institutions in India	50,00
	Grants to States for establishing agricultural Colleges and expansion of existing colleges with a view to meet the shortage of trained agricultural graduates in the country	27,00
	Grants to States for measures designed to assist cotton growers	12,00
	Grants to States for Jute Developments . .	20,66
	Grants to States for coconut development . .	5,00
	Grants to States for Development of sheep and wool industry	10,00
	AGRICULTURAL RESEARCH INSTITUTE—GRANTS TO STATES.	
	The scheme envisages financial assistance to States for strengthening the existing research institutes in the States and setting up of new ones in States where there are none	12,00
	HORTICULTURAL SCHEMES—FINANCIAL ASSISTANCE	
	The scheme is for the development of fruit production, training of malis and intensification of research on important fruits in the States and Union territories. New orchards coveirng an area of about 45,300 acres will be planted and old orchards to the extent of 12,000 acres will be rejuvenated . . .	12,90
	GRANT TO THE INDIAN CENTRAL JUTE COMMITTEE	
	To undertake agricultural, technological and economic research and to improve the marketing of Jute products. Provision also includes special grant of Rs. 8 lakhs for expansion of Jute Research .	18,00

(In thousand of Rupees)

No. and name of Demand	Paritculars	Budget, 1957-58
	MINISTRY OF FOOD AND AGRICULTURE—*contd*	
44.—Agriculture—*contd.*	GRANT TO THE INDIAN CENTRAL TOBACCO COMMITTEE	
	For the improvement, development, production and marketng of tobacco and tobacco products and all matters incidental thereto. A special grant of Rs. 6·2 lakhs has been given to the Committee for this purpose as well as for subsidising the tobacco research schemes for bringing out improvement in the quality of tobacco grown in the country . .	18,20
	GRANT TO THE INDIAN CENTRAL ARECANUT COMMITTEE	
	For the development etc. of arecanut and executing schemes of arecanut research	8,00
	GRANT TO THE INDIAN CENTRAL COCONUT COMMITTEE	
	For intensification of coconut research . . .	6,70
	GRANT TO THE INDIAN CENTRAL COTTON COMMITTEE	
	For Cotton research, seed multiplication and distribution schemes in cotton growing States . .	12,00
	Payment to Indian Central Cotton Committee against cess collections on cotton	11,00
	Payment to Indian Central Coconut Committee against cess collections on copra	7,00
	Payment to Indian Lac Cess Committee against cess collections on Lac and refuse Lac . . .	7,00
	Payment to the Indian Central Oilseeds Committee against cess collections on oilseeds and oils .	15,00
	GRANT TO THE INDIAN OILSEEDS COMMITTEE	
	The provision is to meet the expenditure on setting up the Central Oil Technological Research Institute	10,00
45.—Civil Veterinary Services.	GRANTS TO STATES FOR VETERINARY COLLEGES	
	To meet the shortage of trained Veterinary graduates in the country it is proposed to assist certain States by giving grants for :—	
	(1) setting up four new veterinary colleges,	
	(2) expansion of training facilities at some of the existing veterinary colleges,	
	(3) organising double shifts at certain selected veterinary colleges, and	

(In thousands of Rupees)

No. and name of Demand	Particulars	Budget 1957-58
	MINISTRY OF FOOD AND AGRICULTURE—*contd.*	
45.—Civil Veterinary Services—*concld.*	(4) instituting two years' course in Veterinary Science.	
	Assistance will also be given to states for the consturction of hostels at livestock farms for imparting practical training to the students studying in Veterinary colleges	54,15
	RINDERPEST SCHEME	
	The scheme envisages eradication of rinderpest disease in cattle by conducting mass inoculation of cattle in the whole of the country . . .	30,11
46.—Miscellaneous Departments and Expenditure under the Ministry of Food and Agriculture	NATIONAL DAIRY RESEARCH INSTITUTE	
	The provision represents the cost of material and equipment to be imported under the T. C. A. Programme	5,23
	RESETTLEMENT OF LANDLESS WORKERS	
	This is a lump sum provision for grants-in-aid to be given to the State Govts. for their schemes of resettlement of landless agricultural workers . .	5,00
	GRANTS FOR COOPERATIVE TRAINING AND EXPERIMENTS	
	Provision for grants to be given to States and other Co-operative Institutions for meeting a part of the expenditure in connection with providing training facilities	44,7
	GRANTS FOR NATIONAL CO-OPERATIVE DEVELOPMENT AND WAREHOUSING BOARD.	
	The amount will be placed at the disposal of the National Co-operative Development and Warehousing Board for providing subsidies to States in connection with the Schemes relating to the development of Co-operation and Warehousing . .	1,00,00
	CONTRIBUTIONS TO THE FOOD AND AGRICULTURE ORGANISATION OF THE UNITED NATIONS.	
	The amount represents the annual membership contribution paid by India to the F. & A. O. . .	13,20
	TRAINING OF VILLAGE LEVEL WORKERS	
	The amount represents Govt. of India's share of expenditure in connection with the implementation in the States of the following schemes :—	
	Home Science Wings, Basic Agricultural Schools, Trainng of Group Level Workers and training of Village level workers	[illegible]

(In thousands of Rupees)

No. and name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF FOOD AND AGRICULTURE—*contd.*	
	INSTALMENT OF CAPITAL LOSS ON AMERICAN LOAN WHEAT CHARGED TO REVENUE.	
46.—Miscellaneous Departments and other Expenditure under the Ministry of Food and Agriculture—*contd.*	On American Loan wheat, capital loss of Rs. 11.44 crores, and Rs. 5.55 crores was incurred during the years 1951-52 and 1952-53 respectively. It has been dedcided that the capital loss would be written back to revenue in 35 equal annual instalments commencing from the year following the year in which it is incurred. An instlamert of Rs. 32.7 lakhs was, therefore, written back in 1952-53 leaving a balance be Rs. 16.66 crores to be written back in the remaining 34 equal annual instalments of Rs. 49.02 lakhs each with effect from 1953-54. The provision now being made is intended to cover the expenditure on account of the instalment for 1957-58 . .	49,02
	INCIDENTAL EXPENDITURE ON GIFTS RECEIVED FROM ABROAD	
	The provision is intended to cover the incidental expenditure such as unloading, handilng, etc. on gifts received from abroad	6,40
	TRADING LOSSES ON PURCHASE OF FOODGRAINS TRANSFERED FROM CAPITAL OUTSIDE THE REVENUE ACCOUNTS	
	At the time of decontrol of rice, the State Governments were left with large stocks of that grain. It was decided that the Central should take over these stocks and decontrol rice. The prices paid or to be paid to States were considerably higher than those which the grain was likely to fetch, when sold, owing to the fact that the stock were built up at a time when high prices prevailed before decontrol. The losses accruing to the Centre on account of decreased value of the stock as a sequal to the fall in the prices of rice was proposed to be staggered over a number of years and charged to revenue. An amount of Rs 3 crores each was voted by the Parliament for the grant for 1955-56 and 1956-57 and an identical provision is proposed for 1957-58 as the 3rd instalment to be met from revenue	prices 3,00,00
115.—Loans and Advances by the Central Govt.	LOANS TO STATES FOR FORESTRY SCHEMES . .	1,30,00
	Loans for establishment of fruit and vegetable preservation factories and to existing factories . .	10,00
	LOANS TO STATE GOVERNMENTS FOR DEVELOPMENT OF REGULATED MARKETS. (LOANS TO MARKET COMMITTEES THROUGH STATE GOVERNMENTS)	
	The object of the scheme is to Provide loans to the State Governments for the development of the regulated markets for a Period of two years. The grant of loans to Market Committees will be made through State Govts. and would be for Providing storage space, water, etc., effect improvements in the working of the regulated markets and to extend regulation and standardization of market partices, It will help the primary producer in getting better price for his produce	10,00

(In thousands of Rupees)

No. and name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF FOOD AND AGRICULTURE—*contd.*	
115.—Loans and Advances by the Central Govt.—*contd.*	LOANS FOR SOIL CONSERVATION SCHEMES	
	The activities of Central Soil Conservation Board are increasing day by day. It has also been decided that the Soil Conservation work in agricultural land should be intensified to attain in 3 years, the plan targets for contour bunding. The provision is being made with a view to grant loans to the State Governments for executing the Soil Conservation Schemes in the States	1,50,00
	LOANS FOR TUBEWELL PROJECTS	
	Loans to be sanctioned to the Governments of U.P. Bombay, Bihar and Punjab under T. C. M. Tubewell projects 1952, 1953 and G. M. F. 1954 Project.	
	This provision includes Rs. 60 lakhs representing rupee equivalent of dollar amount which will be contributed by the Govt. of U.S.A.	4,00,00
	SCHEMES FOR MULTIPLICATION AND DISTRIBUTION OF IMPROVED SEEDS.	
	Under the Scheme it is Proposed to give 25 % and 100% of certain non-recurring expenditure as loan to State Govts. for the establishment of seed farms in the States	2,34,84
	RESETTLEMENT OF LANDLESS WORKERS	
	Loans to States for the Schemes of resettlement of landless workers	25,00
	LOANS FOR G.M.F. SCHEMES.	
	The provision will be utilised for giving loans to the States for periods ranging between 1½ and 15 years (in special cases up to 20 years) in connection with the G. M. F. Schemes	12,00,00
	Long term Advances to cultivators in Union Territories	15,00
	Short term loans to all States. The provision will be utilised for giving loans to these States for the purchase of seeds, manures and fertilisers. These are repayable within 18 months of the date of drawal .	10,50,00
	Short term advances to Union Territories . .	50,00

(In thousands of rupees)

No. and name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF FOOD ANDAGRICULTURE—*contd.*	
115.—Loans and Advances by Central Govt.—*contd.*	LOANS FOR SUGARCANE DEVELOPMET SCHEMES	
	Loans to Bihar Government for construction of Tramway lines in Sugar Factory areas . . .	20,00
	LOANS TO STATES FOR VETERINARY COLLEGES	
	The provision is intended to meet 25% of non-recurring expenditure for setting up new Veterinary Colleges and expansion of colleges in the various States.	15,00
	LOANS TO STATES FOR AGRICULTURAL COLLEGES	
	The provision is intended to meet 25% of non-recurring expenditure for setting up new Agricultural Colleges and expansion of existing colleges . .	10,00
	LOANS FOR JUTE DEVELOPMENT SCHEME	
	Loans to Jute growing States for setting up Jute seed multiplication Forms	6,50
	LOANS FOR DEVELOPMENT OF COTTON CULTIVATION SCHEME	
	Short term loans to the cotton growing states for purchase of cotton seeds for development of Cotton Cultivation	30,00
	LOANS TO STATES GOVERNMENTS FOR HORTICULTURAL SCHEME	
	It is proposed to give loans to cultivators through the Governments of States and the Union Territories areas at Rs. 300 per acre for planting new orchards and fencing newly planted orchards and at Rs. 15 per acre for rejuvenating old orchards . .	1,10,00
	LOANS TO STATE GOVERNMENTS FOR DEVELOPMENT OF PEPPER, CASHEWNUTS AND CARDAMOM.	
	It is proposed to give loans to the cultivators at Rs. 150 per additional acre brought under the cultivation of pepper and cashewnuts and cardamom in order to encourage the cultivation of these dollar earning crops	10,00
	LOANS FOR DAIRY DEVELOPMENT SCHEME	
	The amount will be advanced to State Govts. as loan for Dairy Development projects in the respective States	1,65,00
	LOANS FOR POULTRY DEVELOPMENT	
	The provision is intended for giving loans to the States as non-recurring expenditure under the All India Poultry Development Scheme during the second plan period	12,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget 1957-58
	MINISTRY OF FOOD AND AGRICULTURE—*contd.*	
115.—Loans and Advances by the Central Government—*concld.*	Taccavi Loans to Agriculturists in Delhi . .	6,00
	Loans to States for participation in Share Capital of Co-operative and other Societies . . .	1,00,00
	Loans to States for Co-operative Processing Societies	1,00,00
117.—Capital Outlay on Forests.	DEVELOPMENT OF ANDAMANS FORESTS	
	The provision is intended for the development of the resources of the Andaman Forest Department. Out of this a sum of Rs. 90,000 will be spent on construction of new buildings and the balance of Rs. 5,00,000 on the purchase of stores and machinery for the Department	5,90
118.—Other Capital Outlay of the Ministry of Food and Agriculture.	INDIAN INSTITUTE OF SUGARCANE RESEARCH, LUCKNOW	
	Purchase of laboratory equipment etc. for the Indian Institute of Sugarcane Research. Lucknow . .	8,00
	HIGHER AGRICULTURAL EDUCATION	
	Material and Equipment to be received under T.C.A. Programme	60,00
	DELHI MILK SUPPLY SCHEME	
	Provision includes Rs. 70 lakhs for dairy equipment to be received from New Zealand under Colombo Plan	90,00
	ALL INDIA POULTRY DEVELOPMENT SCHEME	
	The provision is intended for import of equipment from U. S. A. under the T. C. M. programme for the All India Poultry Development Scheme . .	5,00
	The provision is intended for import of dairy equipment from U.S.A. under T.C.M. programme for Dairy Development Projects and Cattle Colonisation Scheme	53,00
	CONTRIBUTION TO NATIONAL CO-OPERATIVE DEVELOPMENT AND WAREHOUSING BOARD	
	The amount will be placed at the disposal of the National Co-operative Development and Warehousing Board and the Board will give loans to State Governments for Schemes relating to the development of Co-operation and Warehousing in the country .	1,00,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget 1957-58
	MINISTRY OF FOOD AND AGRICULTURE—*contd.*	
118.—Other Capital Outlay of the Ministry of Food and Agriculture—*contd.*	CONSTRUCTION OF CENTRAL CONTROL LABORATORY AND 3 REGIONAL LABORATORIES AT BOMBAY, CALCUTTA AND MADRAS, INCLUDING CONSTRUCTION OF HOSTEL FOR TRAINING IN AGRICULTURAL MARKETING.	
	The establishment of the laboratories is an essential pre-requisite to the introduction of compulsory regulation of equality of major agricultural and allied products before export in accordance with standards prescribed under the Agricultural Produce (Grading and Marketing) Act, 1937. The functions of the Central Control Laboratory will be to analyse all commodities both for internal and external consumption and also for establishing grade standards and for improving quality standards thereof. In addition, it will integrate, co-ordinate and supervise the work of subsidiary laboratories. The functions of the regional (subsidiary) laboratories will be to analyse different commodities . . .	10,39
	REGIONAL LABORATORIES FOR DEVELOPMENT AND ASSISTANCE TO FRUIT AND VEGETABLE PRESERVATION IN INDIA.	
	At present, there is only one Central Institute at Mysore for conducting research on problems concerning fruits and vegetable preservation. The various problems which arise in different regions in the country cannot therefore, be adequately attended due to lack of facilities in other regions. Hence it is proposed to start five laboratories during the year 1957-58	5,00
	LAND RECLAMATION SCHEME	
	The scheme envisages the reclamation of Kans and Jungle land in the country with the help of heavy tractors. The provision includes pay of staff, cost of spare parts for tractors and equipment, P. O. L., workshop stores, etc. The cost of land reclamation operations is mainly recoverable from the State Governments. The Central Govt. also subsidises the Scheme to a certain extent . . .	85,00
	INDIAN VETERINARY RESEARCH INSTITUTE	
	It is proposed to strengthen the research divisions of the Indian Veterinary Research Institute during the Second Five Year Plan and to establish a post-graduate College in Veterinary and Animal Husbandry Sciences. Equipment worth Rs. 5 lakhs is being obtained under the T. C. M. Aid . .	5,00
	PURCHASE OF FERTILISERS	
	The Central Government is running a State Trading Scheme for the purchase and distribution of fertilisers with a view to pupularising their use and make them available to cultivators at reasonable rates	

(In thousands of Rupees)

No. and name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF FOOD AND AGRICULTURE—*contd.*	
118—Other Capital Outlay of the Ministry of Food and Agriculture—*contd.*	in the interest of maximum agricultural production. Accordingly it is proposed to purchase 3,46,000 tons of indigenous Sulphate of Ammonia worth Rs. 9,57,05,000 and to import 2,41,000 tons for Rs. 7,34,76,000. It is also proposed to import 57,000 tons of other Fertilisers valued at Rs. 3,18,84,000 with a view to popularising their use in Indian Soil. Handling and distribution charges on the fertilisers are estimated at Rs. 2,03,45,000. A lump sum provision for Rs. 85,90,000 has been made in the budget to meet the expenditure for delayed shipments scheduled for delivery in 1956 but expected to be recieved in 1957-58 on account of closure of Suez Canal route to traffic	23,00,00
	MATERIAL AND EQUIPMENT UNDER T. C. A. PROGRAMME IMPORT OF FERTILISERS	
	There is at present no proposal to import any fertilisers in 1957-58 under T. C. A. Aid Programme. But certain outstanding adjustments on account of imports during the past years are expected to be made during 1957-58 and therefore an *ad hoc* provision of Rs. 10 lakhs has been made . .	10,00
	TUBE-WELL PROJECTS	
	This represents the dollar cost of equipment to be imported from abroad with U. S. Aid for utilization in connection with various tube-well schemes. Rs. 60 lakhs represents the costs of equipment required in connection with T. C. A. Tubewell Projects of 1952-53 and tube-well projects being taken up under the Second Five Year Plan in the States of U. P., Bihar, Punjab and Bombay. Rs. 8·18 lakhs represents the cost of dollar equipment to be imported for utilization on Ground Water Exploration Project. Rs. 12 lakhs represents dollar cost of equipment required in connection with the Project for Water Resources Survey and Minor Irrigation being carried out in Bombay . . .	80,18
	NATIONAL DAIRY RESEARCH INSTITUTE, KARNAL	
	The provision is for incidental charges and the equipment and material expected to be received for the National Dairy Research Institute, Karnal, under the T. C. A. Programme	6,04
	LOCUST CONTROL	
	Material and equipment to be received under the Colombo Plan. Provision has been made in the budget estimates for 1957-58 on account of cost of equipment to be received under the Colombo Plan	12,53

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF FOOD AND AGRICULTURE—*contd.*	
118—Other Capital Outlay of the Ministry of Food and Agriculture—*contd.*	DEVELOPMENT OF FOREST RESEARCH INSTITUTE, DEHRA DUN	
	The provision required for machinery and stores expected to be received under the T. C. A. Programme for the development of the Forest Research Institute, Dehra Dun	10,60
	Construction of Office and residential buildings for Central Inland Fisheries Research Station, Calcutta	7,95
	Construction of Office and residential buildings for Central Marine Fisheries Research Station, Mandapam Camp	8,80
	Expenditure for purchase of Capital goods (Bull-trawlers etc. for Deep Sea Fishing Station, Bombay) .	5,20
	COST OF MATERIAL AND EQUIPMENT UNDER T. C. A PROGRAMME FOR VILLAGE WORKERS TRAINING	
	The equipment is being received from the T. C. M. in accordance with the agreements between the Govt. of India and T. C. M. in connection with implementation of the schemes for establishment of the Extension Training Centres and Basic Agricultural Extension Wings and Home Science Centres . .	10,04
	G. M. F. SCHEMES IN UNION TERRITORIES	
	The provision is meant for recoverable expenditure to Union Territories for implementation of G. M. F. Schemes	20,00
	SOIL FERTILITY	
	Under this project 94 Soil Testing Laboratories are being set up throughout the country for advising the farmers on the nature of soils in their fields. 24 'packaged units' containing all necessary equipments to establish 24 laboratories are being imported. A portion of the equipment has already been received. It is expected that equipment worth Rs. 9 lakhs would be received during 1957-58	9,00
	CENTRAL OFFSHORE FISHING STATION, COCHIN	
	A sum of Rs. 12 lakhs has been provided for the proposed Central Offshore Fisheries Station at Cochin. Exploratory fishing and charting of fishing grounds was till now done off the Bombay and Saurashtra coasts. Similar work in waters further out on the West coast is essential to provide necessary information for developing powered fishing industry in these areas specially as their fisheries are different from those of the areas explored so far .	12,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF FOOD AND AGRICULTURE—*contd.*	
118—Other Capital Outlay of the Ministry of Food and Agriculture—*contd.*	CONSTRUCTION OF STORAGE GODOWNS	
	The provision is intended to cover the expenditure on construction of food storage godowns under the Five Year Plan. It has been decided to transfer such expenditure to this head from the Demand for Purchase of Food-grains with effect from 1957-58	3,50,00
	IMPORT OF SUGAR—GROSS EXPENDITURE	
	The amount is required to cover outstanding liabilities to be adjusted in the accounts for 1957-58 in connection with sugar imported in previous financial years	12,00
	MINISTRY OF HEALTH	
48—Medical Services .	TAKING OVER THE TATA MEMORIAL HOSPITAL, BOMBAY	
	It is proposed to take over the Tata Memorial Hospital, Bombay from the 1st April, 1957. This scheme has been included in the Second Five Year Plan and the Plan provision is Rs. 44·5 lakhs . .	7,00
	ESTABLISHMENT OF CANCER RESEARCH INSTITUTES	
	The scheme for the establishment of Cancer Research Centre has been included in the Second Five Year Plan with a provision of Rs. 35 lakhs. The original plan was to take over the existing Cancer Research Centres which are at present being run by private bodies. Subsequently the idea of taking over the existing centres was dropped except the Chittaranjan Cancer Hospital, Calcutta. It is now proposed to establish cancer wards, units or wings in association with the existing hospitals and to give financial assistance to State Governments . .	10,00
	INDIAN CANCER RESEARCH CENTRE, BOMBAY	
	Provision is for a grant to the Centre . .	7,00
	GRANTS FOR RESEARCH INTO SYSTEMS OF MEDICINE OTHER THAN MODERN MEDICINE	
	Under the Second Five Year Plan there is a provision of Rs. 100 lakhs for the development and research in Ayurvedic, Homoeopathic and Unani & Nature Cure Systems of Medicine. The provision is for grants to be made in the next year . .	13,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF HEALTH—*contd.*	
48—Medical Services—*contd.*	ESTABLISHMENT AND EXPANSION OF MEDICAL COLLEGES IN THE COUNTRY	
	Under the Second Five Year Plan, the Central Government propose to give financial assistance to various State Govts. for the establishment and expansion of existing medical colleges. A sum of Rs. 650 lakhs is proposed to be spent over this scheme in the Second Five Year Plan period. A new medical college in Pondicherry has been opened. The State Govts. were requested to submit their schemes for the expansion of the existing colleges in their States. The proposals received from the State Govts. are being examined and a lump provision has been made for 1957-58	50,00
	ESTABLISHMENT AND EXPANSION OF DENTAL COLLEGES	
	As the facilities for training of dentists are quite insufficeint to meet the requirements of qualified dental practitioners in the country, it is proposed to give financial assistance to various State Govts. for the establishment and expansion of dental colleges during the Second Five Year Plan period. A sum of Rs. 10 lakhs has been provided in the Budget Estimate for the year 1957-58 . . .	5,00
	CONTRIBUTION TO STATE GOVTS. ETC. FOR UPGRADING OF CERTAIN DEPTTS. IN MEDICAL INSTITUTIONS IN INDIA	
	The scheme for the upgrading of Departments in Medical Colleges was originally started in 1948, with a view to giving post-graduate training to selected doctors to fit them for teaching and reasearch work. Under this scheme departments of Obstetrics & Gynaecology, Venereal Diseases, Anatomy, Thoracic Dep't. Radiology Pathology etc. have so far been upgraded. Financial assistance is given to State Govts. concerned for meeting half the recurring expenditure on staff etc. The scheme is included in the Second Five Year Plan	6,00
	GRANTS TO CERTAIN STATE GOVTS. FOR THE ESTABLISHMENT OF DEPTT. OF SOCIAL & PREVENTIVE MEDICINE IN CERTAIN MEDICAL COLLEGES	
	The scheme for the establishment of the Deptts. of Social & Preventive Medicine in Medical Colleges was started during 1954-55. The Deptts. of Social and Preventive Medicine have so far been established in 9 Medical Colleges. Proposal to establish the Deptts. of Social & Preventive Medicine at the Medical College, Lucknow, is under consideration. 50% of the total expenditure incurred on the Deptts. of Social and Preventive Medicine is paid by the Govt. of India as grant-in-aid	7,00

(In thousands of rupees.)

No. and Name of Demand	Particulars	Budget 1957-58
	MINISTRY OF HEALTH—*contd.*	
48—Medical Services—*contd.*	SUPPLY OF EQUIPMENT RECEIVED FROM T. C. M. TO MEDICAL COLLEGES AND RESEARCH INSTITUTIONS	
	Under Operational Agreement No. 29, equipments are received from T. C. M. for the Medical Colleges and Research Institutions in India . . .	20,00
	GRANT FOR THE ESTABLISHMENT OF DENTAL CLINICS IN DISTRICT HOSPITALS	
	A non-recurring grant of Rs. 15,000 and a recurring grant of Rs. 6,600 per annum during the Second Plan is proposed to be given towards the Establishment of the one dental clinic. The establishment of 24 dental clinics has been approved during 1956-57. During 1957-58, 21 dental clinics are proposed to be set up in district hospitals in the States. The provision made is intended for recurring grants for the clinics started in 1956-57 and recurring and non-recurring grants for the proposed 21 new clinics to be started in 1957-58	6,38
	GRANT FOR THE ESTABLISHMENT OF T.B. CLINICS	
	Provision is for establishment of more T.B. Clinics and of up-grading a certain number of existing clinics by provision of modern equipment, etc. The scheme has been included in the Second Five Year Plan and a provision of Rs. 30 lakhs is made in the budget for 1957-58	30,00
	GRANTS-IN-AID TO THE ALL-INDIA INSTITUTE OF MENTAL HEALTH, BANGALORE	
	The All-India Institute of Mental Health, Bangalore, was opened in August 1954. The objects of the Institute are to make provision for and to promote post-graduate, special studies and research in mental health, to give advice to the Government of India and to the State Govts., on the matters relating to the organisation of mental health services, and to act in accordination with International and other agencies in the matter of post-graduate and special studies and research in mental health. The course for Diploma in Psychological Medicine and the training course in Medical Psychology at the All-India Mental Health Institute were started in 1955. During the current year 12 candidates for the Diploma in Psychological Medicine, 12 for Diploma in Medical Psychology and 20 for Psychiatric Nursing have been admitted. A provision of Rs. 41 lakhs has been made in the Second Five Year Plan period for the expansion of this Institute	
	A sum of Rs. 5 lakhs has been provided for the expansion of this Institute during 1957-58 in addition to Rs. 2·32 lakhs for recurring expenditure . .	7,32

(In thousands of Rs.)

No. and Name of Demand	Particulars	Budget 1957-58
	MINISTRY OF HEALTH—*contd.*	
8—Medical Services—*concld.*	HEALTH SERVICES FOR GOVT. EMPLOYEES	
	The provision is for the continuance of the Contributory Health Services Scheme during 1957-58 .	35,00
	GRANT TO THE ALL INDIA INSTITUTE OF MEDICAL SCIENCES, NEW DELHI	
	The A. I. I. M. S., New Delhi, has been declared with effect from 15-11-56 as an autonomous Statutory body in accordance with the A. I. I. M. S. Act, 1956 (No. 25 of 1956). The entire expenditure on the Institute is borne by the Govt. of India. The Institute will consist of a Medical College, a Dental College, a Nursing College, a Post-graduate Teaching Centre, a 650-bedded hospital and Rural and Urban Organisations to provide centres for field work. The first year class of the undergraduate course was started on 25th September, 1956, with fifty students. A Postgraduate course in Orthopaedic Surgery was started on the 15th April 1956 with two students in collaboration with the Safdarjang Hospital .	25,00
49.—Public Health .	ESTABLISHMENT OF V. D. CLINICS IN THE STATES	
	The scheme for the opening of V. D. Clinics in the States has been included in the Second Five Year Plan with a plan provision of Rs. 88·81 lakhs. The scheme is under finalisation	8,00
	EXPENDITURE IN TRAINING OF PUBLIC HEALTH ENGINEERING	
	A provision of Rs. 50 lakhs has been made in the Second Five Year Plan for the training of Public Health Engineering personnel for the implementation of the National Water Supply and Sanitation Programmes. Stipends will be given by the Central Government to the trainees, at the rate of Rs. 150/- p.m. to engineers, Rs. 100/- p.m. to engineering subordinates and plant operators, and Rs. 75/- p. m. to sanitary inspectors	[illegible]
	INDIAN COUNCIL OF MEDICAL RESEARCH	
	The Government of India pay an annual grant to the Indian Council of Medical Research for its research activities. A sum of Rs. 30 lakhs has been paid to the Council during the last financial year. The activities of the Council have recently increased to a considerable extent and in order to expand its research activities, the grant for 1957-58 has been raised to Rs. 50 lakhs . . .	50,00
	GRANT-IN-AID TO THE RAJKUMARI SPORTS COACHING SCHEME	
	The Rajkumari Sports Coaching Scheme commenced functioning from October, 1953 and has organised country-wide coaching in athletics, cricket, tennis, football, hockey, badminton, table-tennis, volleyball, basketball and swimming	5,00

(In thousand of Rs.)

No. and Name of Demand	Particulars	Budget 1957-58
	MINISTRY OF HEALTH—*contd.*	
49.—Public Health—*contd.*	SUBSIDIES FOR ESTABLISHMENT OF T. B. ISOLATION BEDS	
	Provision is for subsidies to State Governments for establishing T. B. Isolation beds for segregation of advanced cases	10,00
	GRANTS TO T. B. LEPROSY AND OTHER VOLUNTARY INSTITUTIONS	
	Realising the need for encouraging voluntary effort in the field of health, it has been decided to continue the scheme for Grants to T. B., Leprosy and other institutions managed by non-official, voluntary bodies during the Second Five Year Plan period also, to the extent of Rs. 100 lakhs. Grants are given to voluntary institutions for purchasing essential equipment and for other allied purposes for expanding the activities of such institutions on the recommendations of the State Government concerned	20,00
	GRANTS FOR GIVING RELIEF TO DESTITUTE DISPLACED PERSONS FROM WEST PAKISTAN SUFFERING FROM T.B.	
	A provision of Rs. 8·5 lakhs was made in the Budget for 1956-57 for rendering assistance to indigent displaced T. B. patients from West Pakistan. The grants-in-aid are mainly given to the various State Governments for reservation of free beds and for rendering cash assistance to indigent displaced T. B. patients	
	Grants for giving cash assistance and for the purpose of medicines for free distribution to indigent displaced T. B. patients, are also given to the T. B. Association of India and the Director General, Health Services	8,50
	DEVELOPMENT OF PUBLIC HEALTH LABORATORY SERVICES	
	The Centrally aided New Scheme for the development of Public Health Laboratory Services in the Country envisages	
	(*a*) the establishment and maintenance of a well equipped and adequately staffed principal public health laboratory at the State headquarters, and	
	(*b*) the creation of secondary regional laboratories at other centres throughout each State.	
	A provision of Rs. 10 lakhs was made in the Budget for 1956-57	5,00
	TRAINING OF HEALTH PERSONNEL FOR COMMUNITY PROJECTS	
	The Government of India approved 39 Training Centres under the Community Development programmes for Central assistance for the training of Auxiliary Nurse-Midwives during the first Five Year Plan. The existing programme will be augmented during the Second Five Year Plan to train about 6,000 additional Auxiliary Nurse-Midwives, either by establishing new schools or expanding existing training school for nurses and midwives so as to provide additional facilities for the training of Auxiliary Nurse-Midwives	8,00

(In thousands of Rs.)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF HEALTH—*contd.*	
49—Public Health—*contd.*	TRAINING OF LADY HEALTH VISITORS	
	Under the First Five Year Plan, the existing 9 Health Schools (8 in the States and the Lady Reading Health School, Delhi, under the Central Government) were expanded to train the required number of Health Visitors for the Community Projects .	
	The expansion scheme to be included in the Second Five Year Plan, contemplates, besides continuation of the expanded training of Health Visitors at the 8 existing Health Schools in the States, their further expansion, so as to train 40 Health Visitors instead of 20 a year at each of the Schools.	
	Provision has also to be made for the establishment of 5 new Health Schools, so as to train 30 Health Visitors a year or 450 Health Visitors at the five schools during the Second Five Year Plan . .	5,00
	OPENING OF PRIMARY HEALTH UNITS IN N.E.S. BLOCKS	
	The Primary Health Units will be similar to the Health Centres established in the N.E..S Blocks during the First Five Year Plan under the scheme. No budget provision for this scheme was made during the year 1956-57 as the original intention was to start such units under the Ministry of Community Development. During the year 1957-58. 285 Primary Health Centres will be established in the States	40,00
	MAINTENANCE OF HEALTH CENTRES IN N. E. S. BLOCKS .	
	A scheme for the establishment of Health Centres in N.E.S. Blocks was formulated during the First Five Year Plan.	
	A provision of Rs. 13 lakhs has been made in the Budget Estimates for 1957-58 for the grant-in-aid to the State Governments, for running the centres opened during the First Plan which have spilled over to the Second Plan period	13,12
	NATIONAL FILARIA CONTROL PROGRAMME (T. C. M. EQUIPMENT ETC.)	
	The national Filaria Control Programme was started in 1954-55.	
	The Planning Commission have approved a provision of Rs. 9·31 crores for this programme in the Second Five Year Plan period of which Rs. 6 crores will be borne by the Central Government and Rs. 3·31 crores by the State Governments.	

(In thousands of Rs.)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF HEALTH—*contd.*	
49.—Public Health—*contd.*	By the end of current financial year about 33 filaria control units will be functioning, giving protection to about 10 million population. The provision is to meet the Central share of expenditure.	1,05,04
	NATIONAL MALARIA CONTROL PROGRAMME (MATERIAL, EQUIPMENT AND CUSTOMS DUTY)	
	The National Malaria Control Programme which started under the Indo-U.S. Agreement has succeeded in reducing the incidence of malaria in the country to a considerable extent. This programme is being continued in the Second Five Year Plan. A sum of Rs. 27 crores has been earmarked for this programme during the Second Plan out of which the Central Government share of cost is Rs. 14 crores. By the end of current financial year a total number of 200 malaria control units are expected to be in operation which will cover the entire population involved.	3,29,28
	CHILD CARE TRAINING CENTRE	
	The Maternal and Child Health Scheme launched in collaboration with the UNICEF and WHO for organising a Child Care Training Centre at the All-India Institute of Hygiene and Public Health Calcutta, progressed according to schedule. In order to continue the activities of the Centre, which has been established in collaboration with the UNICEF and WHO, a budget provision of Rs. 8 lakhs has been proposed for next year	8,00
	SCHEME FOR CONTROL OF LEPROSY	
	The scheme envisages the establishment of a number of pilot projects for the control of leprosy by the application of mass treatment methods in certain areas and simultaneously the health education of the infectivity of the disease and its prevention. The Centres under the pilot project are of two types, *viz.* Treatment and Study Centres and Subsidiary Centres. The Leprosy Control Scheme is being continued during the Second Five Year Plan and is proposed to establish about 100 additional subsidiary centres during this period in the States A provision of Rs. 409·48 lakhs has been made for the scheme in the State Plan, against which the Central Government will give assistance of the approved pattern.	20,00

(In thousands of Rs.)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF HEALTH—*contd.*	
49.—Public Health—*contd.*	CENTRAL LEPROSY RESEARCH INSTITUTE, MADRAS	
	The Government of India, in consultation with the Government of Madras, have established the Central Leprosy Teaching and Research Institute at Chingleput in Madras State. The Institute is under the administrative control of a Governing Body which took over the two State Institutions at Tirumani, Chingleput District and Saidapet from the Government of Madras in January, 1955. A provision of Rs. 6 lakhs has been included in the Budget estimates for 1957-58. . .	6,00
	GRANTS-IN-AID FOR SUBSIDISING SCHEMES IN CONNECTION WITH BLINDNESS, LEPROSY, TUBERCULOSIS, ETC.	
	Requests are received from time to time for small scale financial help for medical relief of a deserving nature and also for carrying on researches in the field of medical treatment and public health. Since such items cannot be foreseen in detail, a lump provison is made every year in the Budget for the purpose. Grants from this provision are made at the discretion of the Minister for Health . .	5,00
	FAMILY PLANNING PROGRAMME	
	This is a continuning scheme. The provision is intended to grant subsidies to State Governments, Local Bodies and Voluntary Organisations and for Research Schemes, etc. The provision also includes training programme and education in family planning	25,00
	INDIA'S CONTRIBUTION TO W.H.O.	
50.—Miscellaneous Expenditure under the Ministry of Health.	India has been a member of the W.H.O. since its inception in 1948. Many Indian Public health workers have taken active part in the various activities of the W.H.O. The provision is to meet a portion of the total Budget of the year according to fixed scale.	23,38
	INDIA'S CONTIBUTION TO UNICEF	
	The United Nations Children's Fund (UNICEF) is a part of the U. N. O. offering assistance in health programmes for expectant and nursing mothers and children. The assistance is normally given the form of equipment and supplies. The UNICEF'S executive Board up to the end of October, 1955 allocated U.S. 813,44,951 for various health programmes in India.	16,00

(In thousands of Rupees.)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF HEALTH—concld.	
50—Miscellaneous Expenditure under the Ministry of Health—*concld.*	TRANSFER TO THE SPECIAL DEVELOPMENT FUND OF THE CONTRIBUTION FROM THE NEW ZEALAND GOVERNMENT	
	The Government of New Zealand promised to contribute a sum of £1 million towards the establishment of the All India Institute of Medical Sciences, New Delhi. An amount equivalent to the budget provision will be transferred from the contribution received to the Special Development Fund. The Government of New Zealand have so far contributed a sum of £600,000	53,50
	MINISTRY OF HOME AFFAIRS	
54.—Police	Assistance to Assam towards the expenditure on the Police Force borrowed from other States for maintenance of law and order	40,00
58—Himachal Pradesh	Educational Development Schemes under Second Five Year Plan	22,69
	Community Development Projects, National Extension Service Schemes and Local Development Works	48,05
	Schemes for the Welfare of Scheduled Castes and Scheduled Tribes and Backward Classes	11,16
	FOREST DEVELOPMENT SCHEME	
59—Andaman and Nicobar Islands.	Lump sum provision has been made to meet expenditure on the scheme designed for Development of Forests in the Islands proposed to be undertaken in the next financial year (1957-58) as part of the Five Year Development Programme included in the Second Five Year Plan	18,00
	LUMP PROVISION FOR CLEARING AND UPROOTING STUMPS	
	A scheme for clearing jungle and settling Refugees has been launched by the Ministry of Home Affairs. The clearing work is done by Forest Department, Andamans	14,99
	POLICE	
	Cost of two sea-going vessels and maintenance	17,15
60—Manipur	PROPORTIONATE SHARE OF THE ASSAM RIFLES	
	Fully trained personnel of Assam Rifles have been posted in Manipur. The provision has been made to meet the proportionate cost	25,00
	Schemes under Community Project and National Extension Service Programmes in Manipur	5,84
	Schemes for the Welfare of Scheduled Castes and Scheduled Tribes and Backward Classes	21,31
	Educational Development Schemes under the Second Five Year Plan	8,03

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF HOME AFFAIRS	
61—Tripura . .	PROPORTIONATE SHARE OF THE ASSAM RIFLES	
	Fully trained personnel of Assam Rifles have been posted in Tripura. The provision has been made to meet the proportionate cost	17,00
	Schemes under Community Projects, Local Development Works and National Extension Service . .	9,78
	Educational Development Schemes under the Second Five Year Plan	15,06
	Schemes for the Welfare of Scheduled Castes, Scheduled tribes and Backward Classes . .	22,72
	Medical Development Schemes	8,87
63—Misc Deptts. and Expenditure under the Ministry of Home Affairs.	GRANTS-IN-AID TO GOVERNMENTS FOR STATISTICAL PURPOSES	
	Provision to meet Government of India's share of the expenditure on a 50:50 basis on State Statistical Schemes in the Second Five Year Plan for the approved schemes of development of statistics, *e.g.*, (i) strengthening of the State Statistical Bureaux for overall planning needs (ii) setting up of District Statistical Agencies and (iii) Training of statistical personnel. Expenditure will be mainly on continuance of the schemes approved during 1956-57 and for taking up some additional statistical development schemes	12,00
	GRANTS-IN-AID AND DONATIONS FOR STATISTICAL PURPOSES	
	The Indian Statistical Institute has been receiving regular grants from the Central Government since 1935. The Institute is being developed as the focal centre for professional training in research in statistics on the lines of a higher technological Institute. Provision for larger grants has been made for the various activities of the Institute, namely its Research and Training School, Research work on Planning, Statistical Quality Control, and for the Industrial Management Research Unit set up by the Institute in Bangalore. Provision has also been made for capital grants to the Institute, grants for building up the electronic computation laboratory and for utilising the equipment received under the United Nations Technical Assistance Administration	42,75
	MULTIPURPOSE NATIONAL SAMPLE SURVEY	
	The National Sample Survey has been collecting through a series of enquiries on a random sample basis important facts regarding production, consumption and other aspects of economic life so as to fill the lacuna in available statistical information relating to the various types of economic activity with reference, *inter alia* to planning. It is also collecting data required by other Ministries, Commissions, etc. The Budget provision also includes a sum of Rs. 12 lakhs on account of a scheme for close collaboration between the National Sample Survey and the State Statistical Bureaux	1,03,23
	Assistance to Assam towards expenditure on the construction of certain strategic roads, bridges and for relief measures, etc.	1,15,00

(In thousands of Rupees).

No. and Name of Demand	Particulars	Budget, 1957-58.
	MINISTRY OF INFORMATION AND BROADCASTING	
5—Broadcasting	LUMP PROVISION FOR NEW TRANSMITTERS	
	Certain transmitters and stations provided for in the schemes for Development of Broadcasting in India are likely to come on the air during 1957-58. The provision is required for expenditure on staff, programmes and other cahrges of these stations . .	9,00
	GRANT-IN-AID TO STATE GOVERNMENT FOR COMMUNITY LISTENING SCHEME	
	It is proposed to grant subsidy to State Governments for the installation of Community Listening sets in rural areas covered by All India Radio under the Five Year Plan. The Planning Commission have approved the proposal subject to the condition that 25% of the cost of the scheme should be contributed by the villagers concerned and 25% by the State Government and remaining 50% by the Central Government	1,500
66—Misc. Deptts. and Expenditure under the Ministry of Information and Broadcasting.	A sum of Rs. 20 lakhs has been provided in the Budget estimates of Directorate of Advertising and Visual Publicity for 1957-58, for payment of bills relating to classified advertisements released on behalf of the various Ministries, etc. At present payments for such advertisements are being made by the respective Ministries but with a view to simplify the procedure and avoid delays in payments it has been decided that with effect from 1957-58 payments for classified advertisements should be made by the Director of Adtvertising and Visual Publicity as is being done in the case of display advertisements	20,00
121—Capital Outlay on Broadcasting.	Provision for installation of new transmitters etc., in various States	3,40,00
	MINISTRY OF IRRIGATION AND POWER	
	MADHYA PRADESH PROJECTS	
68—Multipurpose River Schemes.	This work pertains to the investigations of four multipurpose Projects, *viz.*, Pench, Kanhan, Hasdeve, Upper Wainganga and Bagh River in the Madhya Pradesh State. The work is being taken up at the instance of the State Government who will bear the entire expenditure. The demand has been placed against the estimate for Rs. 44,51,200 sanctioned for the purpose	16,01
	KOPILLI PROJECT	
	The demand has been placed against the estimate for conducting detailed investigations on Kopilli Project which is under the consideration of the Government of India and is likely to be finalised shortly. This work is being taken up at the instance of the State Government	7,45

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF IRRIGATION AND POWER	
68.—Multipurpose River Schemes.—*contd.*	IDIKKI PROJECT	
	The demand has been placed against the estimate for Rs. 11,21,900 for conducting detailed investigations on Idikki Project sanctioned by the Government of India. The work has been taken up at the direction of the Planning Commission who have decided that the expenditure on this scheme will be borne by the Centre in the first instance . . .	6,00
	SURVEYS & INVESTIGATIONS IN BRAHMAPUTRA BASIN	
	This demand has been made against the estimate amounting to Rs. 1,08,98,200 sanctioned for collection of data and carrying out surveys and investigations for flood control measures in the Brahmaputra Basin. It has been decided by the Government of India that expenditure on these will be borne by the Centre in the first instance and will be debited to the Projects if and when they materialise. The amount is required for conducting topographical surveys and hydrological observations in Brahmaputra Basin and for preparting basin-wise reports to assess the potentialiies of the basin . .	23,70
	SURVEYS AND INVESTIGATIONS IN GANGA BASIN	
	The demand has been made against the project estimate amounting to Rs. 64,03,400 sanctioned for carrying out suerveys and collection and compilation of hydrometeorological data for flood control measures in the Ganga Basin. The work is in the interest of national development and the Government of India have decided that the cost thereof will be borne by the Centre in the first instance and debited in due course to such projects as might materialise as a result of such investigations. The amount is required for conducting studies of the river system of Ganga Basin and preparing data volumes in an attempt to assess the potentialities of the basin. These volumes will serve as the basis for future planning in the basin	7,00
	SURVEYS AND INVESTIGATIONS IN CENTRAL INDIA AND DECCAN RIVERS CIRCLE	
	The demand has been made against the project estimate amounting to Rs. 32,44,200 sanctioned for collection of hydrological data and preliminary surveys for flood control measures in Central India and Deccan River Basins. The amount is required for undertaking hydrological and silt observations in Godavari Basin and silt observations in Narmada, Tapti and Krishna Basins and also for conducting studies of the river system in these basins for preparing data volumes in an attempt to assess the potentailities of these basins. These volumes will serve as the basis for future planning in these basins .	9,00

(In thousands of Rupee)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF IRRIGATION AND POWER—*contd.*	
68.—Multipurpose River Scheme—*concld.*	COLLECTION OF HYDROLOGICAL DATA IN BHUTAN	
	The demand has been placed against the estimate for Rs. 13·55 lakhs sanctioned for the collection of hydrological data etc., in Bhutan. The work of installation of wireless stations, river-gauge, rain-guage stations was commenced in the monsoon of 1954-55 and was continued in 1955-56 also. The remaining rain-guage, river-guage stations and all the silt and discharge observation sites proposed to be set up in Bhutan are intended to be started in the pre 1957 monsoon season. Al the hydrometeorological and wireless stations so far set up are to be maintained during the year 1957-58. All the hydrometeorological data to be collected in Bhutan and the reconnaissance and ground surveys proposed to be taken up in the catchment areas, will be extremely useful in planning long-range flood control schemes on the rivers of Assam and West Bengal which originate from Bhutan	5,94
	TECHNICAL TRAINING CENTRES AND MATERIAL AND EQUIPMENT UNDER T.C.M.	
	This scheme envisages the establishment of two Technical Training Centres one at Kotah (Rajasthan) and the other at Nagarjunasagar (Andhra) for the training of operators and mechanics in the maintenance and running of heavy earth moving equipent. The first one started functioning in November, 1955 while the second one in June 1956. The procurement of equipment for these two Centres is being financed by the Government of U.S.A. and they are extending an aid of $460,000 for the same. Also under this scheme they have provided the services of Technical experts for imparting necessary training at the two centres. The duration of the course is one year at each training Centre, and 40 students are trained in each course. . .	25,06
69.—Misc. Departments and other expenditure under the Ministry of Irrigation and Power.	PUBLIC CO-OPERATION	
	In respect of the four Training Schemes which have been sanctioned during the year 156-57 for coaching supervisory, accounts and organiser staff for mobilising the public co-operation, a spill-over of the expenditure of the order of Rs. 4,36,000 has to be provided for. Additional training centres for undertaking work on other projects like Ghataprabha, Thungabhadra High Level Canal etc. are expected to be opened during 1957-58	10,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF IRRIGATION AND POWER—*contd.*	
69.—Misc. Departments and other expenditure under the Ministry of Irrigation and Power—*concld.*	FUNDAMENTAL RESEARCH TO BE CONDUCTED BY THE CENTRAL BOARD OF IRRIGATION AND POWER. The question of encouraging research on problems of basic and fundamental nature has been under the consideration of the Government of India for some time. It has been felt by the Government of India that sufficient attention has not been paid by the Research Stations on the problems of fundamental and basic nature due primarily to the fact that the States which are financing the various Research Stations are interested mainly in the immediate problems in connection with works under construction. Moverover, the execution of various irrigation and power projects have left little time and money to be diverted to problems which do not provide quick results. Consequently sufficient time and effort is not being devoted to the problem of research , which is essential for the advancement of the knowledge of the science of irrigation engineering. Some of the problems have at present to be studied even in foreign laboratories for want of facilities in the country which involved much cost and time. The major projects included in the First Five Year Plan required further experimentation, and many more new schemes are being undertaken in the Second Plan period which would involve greater volume of Work. In order to achievc economies by development of proper technique through research, consolidation and expansion of the research stations has to be properly planned. It is with this idea that the scheme of research on certin basic problems in connection with River Valley Projects and Flood Control works has been drawn up by the Central Board of Irrigation and Power and necessary provision has been made for this purpose in the Second Five Year Plan. A provision of Rs. 13·1 lakhs has been made in the budget estimates of this Ministry during the year 1957-58 for the expenditure to be incurred on the scheme during the first year of its operation	13,10
115.—Loans and Advances by the Central Government.	LOANS FOR PUBLIC CO-OPERATION SCHEMES As nothing has been asked for by the Bharat Sewak Samaj during the current year by way of loan, only a token amount of Rs. 1 lakh has been retained . For the next year, however, since new projects are involved, a provision of Rs. 5 lakhs under this head has been made	5,00
122..—Capital Outlay on Multipurpose River Schemes.	LAND AND BUILDINGS FOR C.W. & P. RESERCH STATION, POONA The Central Water and Power Research Station, Poona is the pioneer organisation to step into the field of Hydraulic Research in India. The Research Station was formerly functioning under the Government of Bombay but was taken over the Government of India in 1937 in due consideration of the large utility and the wider applicational need for its services.	

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF IRRIGATION AND POWER—*contd.*	
122.—Capital outlay on Multipurpose river Schemes—*concld.*	This Station now forms one wing of the Central Water and Power Commission, New Delhi. The Research Station affords training facilities to both Indians and foreign enineers in the field of Hydraulic models and it is recognised by the University of Poona as an institution for Post-Graduate Degrees. Certain new schemes for the expansion of the Poona Research Station have been included in the Second Five Year Plan, and the Planning Commission have approved a provision of Rs. 147·5 lakhs for these schemes to be incurred during the Second Five Year Plan period. These schemes *inter-alia* include the construction of certain laboratories, colony for staff quarters at Khadakvasala and acquisition of land etc.	10,57
123.—Other Capital Outlay of the Ministry of Irrigation and Power.	FLOOD PROTECTION MEASURES IN TRIPURA	
	Agartala town is surrounded by rivers on the north, east and south and by Pakistan on the West. The level of the town is below the highest flood level of the rivers and there is constant threat of the town being flooded. To prevent flooding, an embankment was constructed a few years back. For want of proper maintenance, the bund deteriorated and was overtopped in many places during the flood of 1954-55. The present scheme, estimated to cost Rs. 13·93 lakhs, is to restore this bund to the porper design. The work is expected to be completed in 1957-58. For meeting the balance expenditure on the Agartala town protection schemes and for meeting expenditure on minor works in different places at Amarpur, Udaipur, Belonia, etc. during 1957-58, a budget provision of Rs. 10 lakhs has been made .	10,00
	ELECTRICITY SCHEMES IN TRIPURA	
	The provision is intended for the following schemes :—	
	(1) Nationalisation of Agartala Electic Supply, (2) Installation of 243 K.W. Generating set, (3) Construction of office building and staff quarters , (4) Extension of Agartala Electric Supply, (5) Electrification of 4 Sub-divisionl towns, (6) Investigation of Hydroelectric scheme. The above schemes have been included in the Second Five Year Plan.	10,00
	ELECTRICITY SCHEMES IN MANIPUR	
	The provision has been made for the following schemes :— (1) Rehabilitation of Electric Supply at Imphal : (2) Long term power project at Thoubal river ; and (3) Rural Electrication.	
	The scheme at (1) is continuing from the First Five Year Plan and was sanctioned by the late Ministry of States (now Home Affairs). As regards item (3) details of the scheme have not been furnished by the State Administration. The scheme at item (2) is at present under investigation by the Central Water and Power Commission	6,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF IRRIGATION AND POWER—*contd.*	
123.—Other Capital Outlay of the Ministry of Irrigation and Power—*contd.*	ELECTRICITY SCHEMES IN HIMACHAL PRADESH	
	The provision is for certain Electricity Schemes .	20,00
	FLOOD CONTROL AND IRRIGATION SCHEMES IN DELHI	
	Provision for (*i*) Flood Control measures for the protection of Indraprastha Estate and the Railway Siding Embankment which feeds supplies to the Power House at Delhi Gate. The cost will be borne by the various beneficiaries. (*ii*) Construction of marginal bund for protection of Shahdara etc. The expenditure will be shared by Railway, Delhi Administration and Transport Ministry, (*iii*) Extension of Western Jamuna Canal Irrigation System in Delhi	5,22
	NATIONAL PROJECTS CONSTRUCTION CORPORATION	
	The proposal for setting up a National Projects Construction Corporation for the execution of river valley projects emerged out of the deliberations of the irrigation and power seminar held at Srinagar in July, 1955. The State Governments were addressed for formal confirmation that they would participate in the scheme. Six of the States have agreed, four have resiled, and the remaining four have the matter still under consideration. Even if all the States were to agree initially to participate in the scheme, it will not be possible for the Corporation to undertake the execution of a number of schemes sime ltaneously in different parts of the country, at any rate, in the initial stages. It has, therefore, been decided to start the Corporation immediately with the participation of the Centre and the States who have agreed, with a nominal capital allowing other States to join as and when they decide to do so.	
	The nominal capital of the Corporation will be Rs. 2 crores divided into 20,000 equity shares of Rs. 1,000 each. In view of the limited activities of the Corporation in the initial stages it has been decided that the Centre should contribute Rs. 5 lakhs immediately and Rs. 10 lakhs in 1957-58 and that each of the six participating States should purchase immediately 200 shares of Rs. 1,000 each and provide a sum of Rs. 8 lakhs for the purchase of 800 additional shares in the next financial year	10,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF LABOUR AND EMPLOYMENT	
	SCHEME FOR WORKERS' EDUCATION	
72.— Miscellaneous Departments and Expenditure under the Ministry of Labour and Employment.	General education of workers is an important step in making them more efficient, more responsible and more responsive to progressive ideas in the matter of production and labour management relations. Facilities for such education are very meagre at present. The Workers' Education Scheme aims at providing this much needed general education to industrial workers by granting them scholarships at the rate of Rs. 200 each. A provision of Rs. 10 lakhs has therefore been made in the Budget Estimates for 1957-58	10,00
	INTERNATIONAL LABOUR ORGANISATION	
	India's share of contribution to the International Labour Organisation as a Member-Country . . .	11,40
	INTERNATIONAL LABOUR CONFERENCES AND COMMITTEES	
	As one of the founder members of the International Labour Organisation, India has been taking an active part in the work of the Organisation ever since its inception. The Government of India hold a permanent seat on the Governing Body of the International Labour Office. India is also represented on most of the Industrial and Advisory Committees set up by the I.L.O. The provision is for meeting the expenditure on the International Labour Conferences and Committees.	7,60
	Central share of expenditure on expansion of Employment Exchanges under the Second Five Year Plan .	6,00
	Central share of expenditure on the expansion of Training Centres under the Second Five Year Plan. . .	20,00
	Central share of expenditure on Apprenticeship Training Scheme under the Second Five Year Plan . .	6,00
	Training of educated unemployed for absorption in small scale industries under the Second Five-Year Plan.	30,00
	Setting up of works and Orientation Centres for educated unemployed	50,00
	Central Govdrnment's contribution to States as grants-in-a d on the cost of land and construcion of buildings to house Training Centres under the Craftsmen Training Scheme.	60.00
	Central Government's contribution to States as grants-in-aid on the purchase of tools and equipment under the Scheme for the Training of Craftsmen . .	50,00
	Incidental expenses such as, inland freight charges, custom duties, etc. on Russian Aid Equipment .	7,50
124.— Capital Outlay of the Ministry of Labour and Employment.	Purchase of tools and equipment for the training of instructors	18,60
	Materials and Equipment under the T.C.A. Programme Scheme for the Training Craftsmen . . .	6,00

(In thousands of Rupees

No. and name of Demand	Particulars	Budget) 1957-58
	MINISTRY OF LAW	
73.—Ministry of Law	OTHER ELECTION CHARGES	
	(i) Payment to State Governments towards Central Government's share of extra expenditure incurred in connection with the preparation and printing of electoral rolls and conduct of elections and bye-elections to Parliament ; and . .	1,50,50
	(ii) Election Tribunals	
	MINISTRY OF REHABILITATION	
	RELIEF OF DISPLACED PERSONS GRANTS TO STATES	
7.—Expenditure on Displaced Persons.	Provision is made for expenditure on the relief of destitute displaced persons from East and West Pakistan and displaced persons from Jammu and Kashmir residing in homes, camps, etc. run by the State Governments. It includes expenditure on medical charges, feeding, clothing accommodation and sanitation etc. and expenditure on educational and vocational training in homes and camps . .	9,14,88
	OTHER GRANTS	
	Provision has been made for expenditure on relief of destitute displaced persons, for payment of grant to Faridabad and Rajpura Boards etc., and Institutions run by private organisations	44,16
	MISCELLANEOUS	
	Provision has been made for expenditure of a miscellaneous nature on relief of displaced persons . .	19,73
	REHABILITATION OF DISPLACED PERSONS VOCATIONAL TRAINING	
	Provision has been made for expenditure on vocational training schemes administered by the Ministry of Rehabilitation direct and through the Director General of Resettlement and Employment . .	56,15
	GRANTS-IN-AID TO STATES	
	Provision has been made for Central Government's share of expenditure on Headquarters staff etc. for vocational training schemes, educational grants and other Rehabilitation Schemes in various States .	4,93,97

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF REHABILITATION—*contd.*	
77.—Expenditure on Displaced Persons—*concld.*	GRANTS TO STATES TOWARDS LOSSES ON LOANS TO DISPLACED PERSONS	
	Bonafide losses on rehabilitation loans are shared between the Centre and the State Govts. in the ratio of 50 : 50. The provision represents amount debitable against the Central Government on this account	19,86
	OTHER GRANTS	
	The provision represents expenditure on educational and vocational training grants made direct by the Central Government to disrupted institutions etc. and to the Faridabad and Rajpura Development Boards	35,63
	GRANTS TO STATES FOR INDUSTRIES	
	The provision represents expenditure on the subsidy granted by the Central Government to the various States for installing industries to remove unemployment in the displaced persons colonies . . .	15,00
	WORKS	
	Provision for maintenance charges, annual repairs etc., of buildings in or around Delhi and other Union Territories constructed for housing displaced persons	6,00
	EXPENDITURE ON MANAGEMENT, SALE ETC. OF ACQUIRED EVACUEE PROPERTY	
	Provision has been made for management of and repair to acquired Evacuee-Property etc. forming part of the compensation pool	20,00
115.—Loans and Advances by the Central Govt.	ADVANCES TO STATES FOR REHABILITATION PURPOSES	
	Provision has been made for meeting requirements of various States for Housing, Urban, Rural and Industrial Loans, to be given to displaced persons from East and West Pakistan and from Jammu and Kashmir , for their rehabilitation	8,21,14
	ADVANCES TO CULTIVATORS	
	Provision under this sub-head represents expenditure on rural loans to displaced persons in the Union territories *viz.*, Manipur and Tripura . . .	80,19

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF REHABILITATION—*contd.*	
115.—Loans and Advances by the Central Government —*concld.*	MISCELLANEOUS LOANS AND ADVANCES Provision has been made to meet the requirements of Housing, Urban and Industrial Loans for displaced persons in the Union Territories. Provision has also been made for payment of loans to displaced persons through the Chief Settlement Commissioner's Organisation. Industrial loans granted to industrialists direct are also provided under this head	72,22
125.—Capital Outlay of the Ministry of Rehabilitation.	PAYMENTS TO DISPLACED PERSONS Provision is made for payment of compensation to displaced persons against verified claims for immovable property left in Pakistan. A sum of Rs. 12 crores will be paid in cash, Rs. 5 crores by adjustment of value of property and Rs. 7 crores by adjustment of loans, etc. against compensation . .	24,00,00
	MINISTRY OF STEEL, MINES AND FUEL	
79.—Mines	MATERIAL AND EQUIPMENT UNDER T.C.A. PROGRAMME The provision has been included in the Budget Estimates for 1957-58 for Material and Equipment under T.C.A. programme	8,00
	EXPLORATION OF OIL AND NATURAL GAS	
80.—Exploration of Oil and Natural Gas.	The provision has been included in the Budget estimates for providing staff and equipment and operational expenses in connection with the exploration and prospecting of oil in Punjab, Rajasthan and Cambay (Kutch). It includes expenditure for deep drilling in Punjab, training of personnel in India and abroad, aerial photography, electro-logging, gas-logging, geological work, geophysical work and Charges in England	2,57,67
115.—Loans and Advances by the Central Government.	LOANS TO NATIONAL COAL DEVELOPMENT CORPORATION (PRIVATE) LTD. The ownership and management of the Government Collieries has been transferred with effect from 1st October, 1956 to the Corporation known as National Coal Development Corporation (Private), Ltd. All the shares of this Corporation are held by the Central Government. Funds are required to be advanced to the Corporation as loan for the working of the Collieries transferred to the Corporation and for establishing new collieries for carrying out the development schemes for production of coal in the Public Sector in the Second Five Year Plan period.	4,00,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF STEEL, MINES AND FUEL—*contd.*	
	OIL EXPLORATION SCHEMES	
126.—Capital Outlay of the Ministry of Steel, Mines and Fuel.	INDO-STANVAC PETROLEUM PROJECT	
	The Indo-Stanvac Petroleum Project, a joint venture of the Government of India and the Standard Vacuum Oil Company, have been doing exploration for oil in West Bengal over an area of 10,000 sq. miles since January, 1954. Government of India contributes 25% of the expenditure on the joint operation while the remaining 75% is contributed bythe Standard Vacuum Oil Company. The amount paid by the Government of India up to December, 1956 was Rs. 64,59,836. After completion of the seismic refraction survey of the area, experimental shootings for reflection survey have been conducted at some places. Drilling operations are likely to be undertaken shortly. A sum of Rs. 40·93 lakhs is provided for expenditure during 1957-58	40,93
	OIL EXPLORATION SCHEME	
	RUPEE COMPANY TO BE FORMED IN PARTNERSHIP WITH THE ASSAM OIL COMPANY	
	The Assam Oil Company had been granted Prospecting Licence for Petroleum over Hugrijan, Moran and Nahorkatiya areas in Assam subject to the condition that they would form a Rupee Company with 33% Government participation for production of oil from these areas. Oil having been struck in economic quantities, a Rupee Company is being set up. The expenditure to be incurred on the formation of the Rupee Company during 1957-58 is not yet known. Token provision of Rs. 50 lakhs has however been made in the Budget for 1957-58	50,00
	* OIL EXPLORATION SCHEMES,—OIL AND NATURAL GAS COMMISSION.	
	The provision of Rs. 2 crores has been made in 1957-58 to cover the cost of Geological, Geophysical drilling Laboratory and Workshop equipment vehicles and Construction in field areas for Oil and Natural Gas Commission required in connection with the exploration and prospecting for Oil and for setting up the necessary workshop and Laboratories for the Commission	2,00,00
	EQUIPMENT FOR INDIAN SCHOOL OF MINES AND APPLIED GEOLOGY.	
	Due to increase in the rate of admission of students in the School of Mines and Applied Geology, Dhanbad and introduction of new courses in Petroleum Technology and Geological Prospecting it is necessary that upto-date equipment is provided for imparting training in Mining and Geology	9,41

(In thousands of rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF STEEL, MINES AND FUEL—*contd.*	
126.—Capital Outlay of the Ministry of Steel, Mines and Fuel—*contd.*	PURCHASE OF SHARES IN THE HINDUSTAN STEEL (PRIVATE) LTD.	
	Orders have been placed for all the main sections of the Rourkela plant on various West-German firms. Provision of Rs. 60 crores has been made for the purchase of shares of Hindustan Steel (Private) Ltd., to enable it tomeet the expenditure on payments to suppliers of Plant and Machinery; fees of the German technical consultants; development of iron-ore mines ; construction of buildings, roads etc. both in the township and the Steel Works; land acquisition, water and power supply and civil engineering work on the plant site, in addition to expenses on general administration.	60,00,00
	ESTABLISHMENT OF SECOND STEEL PLANT AT BHILAI, MADHYA PRADESH	
	Constracts have been concluded with the Soviet organisation for the supply of machinery and equipment worth about Rs. 66 crores. Provision has been made for the cost of machinery and equipment to be supplied by the Government of U.S.S.R. payment of fees to the Soviet organisation, pay and allowances of the Soviet Experts working at Bhilai; expenses on development of ore-mines and the construction of the township, land acquisition, water-supply, civil engineering work at plant site, development of transport facilities, purchase of tools and plants in India and expenses on general administration . . .	63,33,00
	DURGAPUR STEEL PROJECT	
	The final contract with the British Consortium.—The Indian Steelworks Construction Co.—has been concluded providing for the supply, construction and erection of the complete steel plant at Durgapur at an estimated cost of Rs. 138 crores. Provision has been made for payments to the Consortium under the contract, fees for the Consulting Engineers of the International Construction Co. and Stein-Polk, the town planners, acquisition of land, construction of the township and expenses on the general administration	33,50,00
	ESTABLISHMENT OF TWO COAL WASHERIES	
	As a measure of conservation of the limited reserves of the metallurgical coal, it has been decided that the steel industry should use washed coal. The capacity of coal washeries, both existing and under construction is inadequate to meet the total demand of washed coal, estimated at 10 million tons by the end of 1959-60. The deficit of about 4·6 million tons will be	

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF STEEL, MINES AND FUEL—*contd.*	
126.—Capital Outlav of the Ministry of Steel, Mines and Fuel—*concld.*	met by the establishment of two Government Coal-Washeries on the coalfields. Provision has been made for the expenditure on the preparation of project report, initial payment for plant and machinery and a portion of the civil engineering and machinery and a portion of the civil engineering work likely to be executed in 1957-58. The total cost of the project as, at presnt, estimated is Rs. 5 crores . .	1,00,00
	EXPENDITURE ON COAL PRODUCTION PROJECT FOR INDIAN BUREAU OF MINES COAL PROSPECTING	
	The provision has been included in the budget estimates for 1957-58 for equipment required by the Indian Bureau of Mines under Second Five Year Plan for Coal Prospecting	76,31
	PURCHASE OF SHARES OF NEYVELI LIGNITE CORPORATION (PRIVATE), LTD.	
	The management of the Lignite Development Project has been entrusted to a Government of India-owred private limited company known as the Neyveli Lignite Corp. (Private) Ltd. which was registered at Madras on the 14th November, 1956 and started functioning from the 6th December, 1956. A detailed plan for the first open cut of the mine to be executed is in hand and the Government have sanctioned the purchase of conventional and specialised mining machinery etc. Funds are required to be given as share capital to meet the expenditure of the Neyveli Lignite Corp. (P) Ltd. . . .	4,00,00
	MINISTRY OF TRANSPORT AND COMMUNICATIONS	
82.—Ministry of Transport and Communications.	DEVELOPMENT AND PROMOTION OF TOURIST TRAFFIC	
	The provision *inter-alia* includes printing of Guide books (Rs. 5 lakhs), Freight charges (Rs. 1 lakh), Travelling allowance for non-officials (Rs. 50,000), Entertainment Fund (Rs. 90,000) and items like photographs, Scholarships and Pilot Surveys etc. (Rs. 1,10,000)	8,50
85.—Lighthouses and Lightships.	LIGHTHOUSES AND LIGHTSHIPS	
	Provision is for the development of aids to navigation included in the Second Five Year Plan . . .	95,00

(In thousands of Rupees)

No. and Name of Demand	Prticulars	Budget, 1957-58
	MINISTRY OF TRANSPORT AND COMMMUNICATIONS—*contd.*	
88.—Aviation . .	Subsidies to Flying and Gliding Clubs	
	As flying is costly, subsidies are paid to Flying Clubs which provide flying training to youngmen at concessional rates. There are at present 12 Flying Clubs and the Government have also agreed to subsidise one more Club, namely the Hyderabad State Aero Club. (It is also proposed to have one more Club during 1957-58.)	
	There are at present four gliding institutions, one private and the other three run by Government. The private instituition namely the Delhi Gliding Club, receives subsidy from the Government both towards purchase of capital equipment, like gliders and other accessories and also towards the recurring expenditure of the institution. (It is proposed to open two more gliding centres during 1957-58) .	15,85
90.—Communications (Including . National Highways).	Purchase of tools and plant by the Public Works Departments of various Union territories for the construction and development of roads other than National Highways	12,50
	Maintenance of roads classed as National Highways in various States and Union Territories and in Sikkim State	4,50,00
	Maintenance of rdoas other than National Highways in various Union Territories and in Sikkim State .	57,00
	Repayments of Capital Expenditure on Grants for the development of State Roads of Economic or Inter-State Importance.	49,18
91.—Miscellaneous Department and other Expenditure under the Ministry of Transport and Commnications.	Monitoring Stations	
	Provision for the implementation of the Scheme for establishment of a Monitoring net work in the country.	9,10
	Contributions	
	Contribution to the Ganga Brahmaputra Water Transport Board for the purchase of Dredgers . .	18,00
	Contribution to the Ganga Brahmaputra Water Transport for the development of Pandu Port . . .	5,00
	Cost of preliminary investigations relating to Sethusamurdam Project	5,00

(In thousands of Rupees)

No. and name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF TRANSPORT AND COMMUNICATIONS—*contd.*	
91.—Miscellaneous Departments and Other Expenditure under the Ministry of Transport and Communications—*concld.*	SUBSIDY TO SHIPBIULDING INDUSTRY	
	Provision to bear within certain limits the difference between the building costs of ships at Visakhapatnam Yard and U.K. yards as subsidy to enable the Hindustan Shipyard (Private Ltd., to sell their ships at the U. K. parity price	1,00,00
128.—Capital Outlay on Civil Aviation.	AVIATION WORKS AND EQUIPMENT	
	The provision is for construction of new aerodromes and general development of the various aerodromes under the control of the Civil Aviation Department and for the purchase and installation of essential items of equipment	58,43
129.—Capital Outlay on Ports.	CAPITAL OUTLAY ON VIZAGAPATAM PORT	
	Provision is for development of Vizagapatam Port .	1,45,00
	CAPITAL OUTLAY ON KANDLA PORT.	
	Provision is for development of Kandla Port . .	3,45,00
	Development of Township of Gandhidham . .	45,00
130.—Capital Outlay on Roads.	Construction and development of National Highways in various States and Union Territories and in Sikkim.	9,00,00
	Construction and development of roads other than National Highways in the Union Territories, in Sikkim and the Tribal Areas of Assam and certain roads of special importance	2,75,00
	CONSTRUCTION OF STATE ROADS OF ECONOMIC OR INTER-STATE IMPORTANCE	
	Under this Scheme, financial assistance is given to States for the development of the following categories of roads : (*a*) Inter-State roads necessary for ensuring through communications ; (*b*) Roads required for opening up new areas to which railway facilities cannot be provided in the near future; and (*c*) Roads which can contribute materially to rapid economic development of the country. . . .	2,75,00

(In thousands of Rupees)

No. and name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF TRANSPORT AND COMMUNICATIONS—*contd.*	
131.—Other Capital Outlay of the Ministry of Transport and Communications.	ROAD TRANSPORT IN HIMACHAL PRADESH	
	Provision is required for expansion of nationalised services in Himachal Pradesh under the Second Five Year Plan. Most of the areas in Himachal Pradesh are not connected by railway or other speedy means of communication and expansion of road services is therefore, necessary	8,50
	INVESTMENT IN THE EASTERN SHIPPING CORPORATION	
	This corporation was set up in March, 1950 with an authorised capital of Rs. 10 crores in partnership with the Scindia Steam Navigation Co., Ltd., Bombay, who were appointed its Managing Agents. Consequent on the coming into force of the Indian Companies Act, 1956, the Managing Agency was terminated on the 15th August, 1956. A Managing Director has been appointed who carries on the work of the Corporation with the assistance of the Board of Directors. It has also been decided by Government that the shareholding of Rs. 1·43 crores of Sciendia in the Corporation should be repatriated to them at par value. The provision of Rs. 74 lakhs in the Budget Estimate for 1956-57 will be utilised to meet part of this commitment, the balance of which (Rs. 69 lakhs) will be paid to the Company in 1957-58 from the funds provided in the Budget for that year. The Corporation has placed some building orders in the Hindustan Shipyard Ltd., Visakhapatnam. The commitment in respect of these will be met from the balance of provision in the Budget Estimate for 1957-58 .	1,20,00
	INVESTMENT IN THE WESTERN SHIPPING CORPORATION	
	This corporation was set up in June, 1956 with an authorised capital of Rs. 10 crores and an issued capital of Rs. 3·5 crores and is entirely State-owned and controlled. The affairs of the Corporation are conducted by its Board of Directors, the members of which are all Government nominees. The Director General, Shipping is the Chairman and Managing Director of the Corporation. The Corporation has placed building orders for ships in India and abroad and the provision made in the Budget for 1957-58 will be utilised to meet commitments in this regard during that year . . .	2,00,00
	Payment towards the cost of conversion of the third survey ship	20,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF TRANSPORT AND COMMUNICATIONS—*contd.*	
131.—Other Capital Outlay of the Ministry of Transport and Communications—*contd.*	PURCHASE OF SHARES IN HINDUSTAN SHIPYARD LIMITED	
	In view of the importance of the Ship-building industry, government acquired a controlling interest in the Visakhapatnam Shipyard. Government will henceforth acquire new shares against the money advanced to the Shipyard	30,00
	INDIAN AIRLINES CORPORATION	
	Provision for purpose of purchase of aircraft and other items of Capital expenditure such as modification of aircraft, Surface Transport, Office accommodation, Renovation of Booking Offices, Training, Miscellaneous equipment, etc.	5,09,84
	AIR INDIA INTERNATIONAL	
	Provision for instalment payments against the purchase of 3 Boeing 707 jet aircrafts and for expansion of Workshops	1,55,00
	OVERSEAS COMMUNICATIONS SERVICE	
	The provision of Rs. 44.16 lakhs made for the year 1957-58 includes a sum of Rs. 20 lakhs for " Plant and Machinery " and Rs. 16 lakhs for " Buildings ". The provision has been made for purchase of equipment and construction of buildings for Delhi, Bombay, Calcutta and Madras Stations in connection with the implementation of the Second 5-Year Plan of the Overseas Communications Services	44,16
115.—Loans and Advances by the Central Govt.	INDIAN AIRLINES CORPORATION	
	Provision for meeting Cash Losses	1,10,00
	INDIAN TELEPHONE INDUSTRIES	
	Assistance from the Central Govt. to the Indian Telephone Industries towards the Company's Capital Expenditure Programme has been fixed at Rs. 50 lakhs by way of loans for the whole of the Second Plan period. Out of this a provision of Rs. 30 lakhs was made in the Budget Estimates, 1956-57 but after a review of the requirements recently, it was reduced to Rs. 12 lakhs in the Revised Estimates, 1956-57. This amount of Rs. 12 lakhs has also been since sanctioned to the Company as loan . .	
	For the next year 1957-58 similar provision of Rs. 12 lakhs has been made for granting loans to the Indian Telephone Industries towards their Capital Expenditure during that year	12,00

(In thousands of Rupees)

No. and name of Demand	Particulars	Budget 1957-58
	MINISTRY OF TRANSPORT AND COMMUNICATIONS—*concld.*	
115.—Loans and Advances by the Central Govt.—*concld.*	LOANS TO THE DELHI ROAD TRANSPORT AUTHORITY	
	Provision for building of new depots, Administrative Office, staff quarters, bus queue shelters, and extension of Central Workshops including a Training School, and purchase of motor vehicles, plant and machinery etc.	50,00
	Loans for development Schemes of major and minor ports	6,50,00
	LOANS TO PRIVATE SHIPPING COMPANIES FOR PURCHASE OF SHIPS FOR COASTAL AND OVERSEAS TRADE	
	(*i*) For Coastal Trade	60,00
	(*ii*) For Overseas Trade	5,00,00
	The Shipping Policy Committee recommended in 1947 that Indian tonnage should reach a target of 2 million tons in the next 5 to 7 years. The Government of India had in their resolution on the Committee's report declared it to be their objective to render all possible assistance to Indian shipping industry to make as rapid an expansion as possible to attain the target set by the Committee. With this end in view, assistance had been given since 1947 by Government to the Indian shipping companies in various forms.	
	Early in 1951 the Government after further considertion of the matter came to the conclusion that, left to themselves, the Indian shipping companies with their limited resources would not be in a position to acquire tonnage quickly. The Government of India, therefore, announced a scheme for grant of loans to the Companies on reasonable terms to enable them to acquire ships for the coastal and overseas trades. A scheme in this regard was included in the first Five Year Plan which contemplated a net addition of 215,000 tons, raising the Indian tonnage to 600,000 tons by 1955-56, on an initial monetary outlay of Rs. 19·45 crores which was later increased to over Rs. 26 crores. Expenditure for the whole of this amount was sanctioned during the first Plan. Tonnage at the end of the first Plan was 480,000 tons; but another 120,000 tons of shipping were under construction in Indian and foreign yards. These ships would be delivered progressively by the end of 1957, when the first plan target of 600,000 tons would be attained.	
	The scheme for the grant of loan assistance to the Indian shipping industry has been continued in the Second Five Year Plan, which provides a sum of Rs. 45 crores (inclusive of a carry-over of Rs. 8 crores from the first Five Year Plan). Of this amount about Rs. 25 crores are earmarked for grant of loans. Already by the middle of 1956-57, firm commitments for practically the whole of the Second Plan provision have been entered into. The amounts of Rs. 60 lakhs and Rs. 5.00 lakhs for the coastal and overseas trades respectively, shown in the Budget Estimate for 1957-58 represent by the actual requirements of funds during that year	5,60,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	MINISTRY OF WORKS, HOUSING AND SUPPLY	
115.—Loans and Advances by the Central Government.	Grant of loans to State Governments, Private employers and to Industrial Workers, Co-operative Societies through the State Governments for constructi on of tenements for Industrial Workers . . .	2,65,00
...	Grant of loans to Housing Finance Corporation, Co-operative Housing Societies and individuals or Co-operatives of Low Income Group through State Governments for construction of houses . .	5,00,00
	Grant of loans to State Governments for Rural Housing	50,00
	Grant of loans to State Governments for slum clearance and sweeper's housing	90,00
	Grant of loans to State Governments for Plantation Labour Housing	25,50
	Grant of loans to Hindustan Housing Factory, Ltd. .	5,00
	Grant of loans to Central Government servants for house-building purposes	1,00,00
	GRANTS FOR INDUSTRIAL HOUSING SCHEMES	
134.—Other Capital Outlay of the Ministry of Works, Housing and Supply.	Under the Subsidised Industrial Housing Scheme, subsidies are paid by the Government of India on the cost of construction of houses built according to the pattern set in by Government of India for Industrial Labour by State Governments, Statutory Housing Boards, Private Employers and Registered Co-operative Societies of Industrial Workers	2,00,00
	Grants for slum clearance and sweepers' housing .	10,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	DEPARTMENT OF ATOMIC ENERGY	
98.—Atomic Energy Research.	ATOMIC ENERGY RESEARCH	
	This provision is for meeting expenditure on the various schemes of Atomic Energy Research met from "Revenue"	2,75,00
	MATERIAL AND EQUIPMENT UNDER T. C. A. PROGRAMME	
	This provision is intended to meet the cost of equipment being obtained for Nuclear Reserach under the T. C. A. Programme	35,00
135.—Capital Outlay of the Department of Atomic Energy	Acquisition of land for Atomic Energy Establishment	10,00
	Uranium Metal Processing Plant	15,00
	Building and Roads	22,40
	REACTORS	
	Ths provision is intended for the setting up of (i) Canada-India Reactor Project (Rs. 4,60,00), (ii) The Swimming Pool Reactor (Rs. 50) and (iii) Zerlina Reactor (Rs. 40,00)	5,00,50
	New Projects	20,00

(In thousands of Rupees)

No. and Name of Demand	Particulars	Budget, 1957-58
	LOK SABHA	
	LOK SABHA SECRETARIAT	
100.—Lok Sabha . .	The provision is in respect of expenditure on the meetings of the Commonwealth Parliamentary Association Conference to be held in India during December, 1957	10.00

ANNEXURE VII

Statement showing resources transferred from Centre to States.

(Figures in lakhs of Rupees)

Sl. No.	Purpose	Actuals, 1951-52	Actuals, 1952-53	Actuals, 1953-54	Actuals, 1954-55	Actuals, 1955-56	Revised, 1956-57	Budget, 1957-58
		1st 5 Year Plan Period						
	PART I—SHARES OF TAXES AND GRANTS							
I.	SHARES OF TAXES AND DUTIES :							
1	Income Tax	52,86	56,98	57,29	55,95	55,16	58,75	65,98
2	Union Excise		16,83	15,55	15,11	16,57	18,22	23,37
3	Estate Duty				57	1,87	2,44	2,43
4	Taxes on Railway Fares							7,00
	TOTAL	52,86	73,81	72,84	71,63	73,60	79.38	98,78
II.	GRANTS MET FROM REVENUE :							
1	Art. 273 of the Constitution	1,85	3,15	3,15	3,15	3,15	3,15	3,15
2	Substantive Provision of Art. 275 (1)	70	5,18	6,55	7,05	7,55	8,05	13,20
3	Provisos to Art. 275(1)	1,58	1,59	2,25	3,46	4,57	5,77	6,45
4	Art. 278	13,17	9,25	9,05	9,0	9,00	..	..
5	Grants to meet revenue deficit of Union Territories	..	3,61	4,69	4,57	6,92	3,80	...
6	Grants-in-aid under Sec. 74 of the S.R. Act	..	..	..	..	..	4,35	1,77
7	Welfare of scheduled tribes and development of scheduled areas in Union territories	..	..	7	9	17	17	..
8	Grants to Jammu and Kashmir	..	..	..	2,42	4,00	4,25	..
	Agricultural Schemes.							
9	Grow More Food Schemes	2,46	3,37	3,84	1,88	1,99	2,50	2,65
10	Key Village Schemes	..	1	6	9	19	45	47
11	Dairy Development Schemes	..	..	..	..	11	36	80
12	Seed Multiplication Farms	..	..	..	..	..	76	1,96
13	Sugarcane Development Schemes	...	..	..	..	14	45	53
14	Higher Agricultural Education	..	..	..	..	28	55	79
15	Veterinary Colleges	..	..	..	..	12	50	54
16	Training of Village Level Workers	..	..	10	..	51	82	80

(In lakhs of Rupees)

Sl. No.	Purpose	Actuals, 1951-52	Actuals, 1952-53	Actuals, 1953-54	Actuals 1954-55	Actuals, 1955-56	Revised 1956-57	Budget, 1957-58
		1st 5 Year Plan Period						
17	Cooperative Training and Experiment . . .	..	..	..	..	7	50	45
18	National Cooperative Development and Warehousing Board . .	..	..	..	..	..	50	1,00
19	Other Schemes . .	..	..	..	..	47	1,39	2,53
	Forest Development							
20	Soil Conservation Schemes	..	..	..	..	30	50	57
21	Forestry Schemes . .	..	..	..	..	..	35	20
22	Other Grants . .	..	..	..	..	..	21	19
	Community Development							
23	Community Development Schemes . . .	..	50	1,88	1,33	6,09	4,85	4,42
24	National Extension Service	..	..	61	71	3,77	5,84	7,50
	Education Schemes							
25	Pre-primary, Elementary and Basic Education	..	29	86	2,85	4,04	4,32	5,20
26	Secondary and Rural Higher Education .	..	..	..	2,03	3,20	5,02	4,25
27	Technical Education .	23	39	61	54	35	1,49	1,20
28	Revision of Pay Scales of School Teachers . .	..	..	..	..	..	1,00	2,00
	Medical and Public Health Schemes							
29	National Malaria Control	..	..	1,93	2,42	2,32	3,43	3,29
30	National Filaria Control .	..	..	..	..	13	57	1,15
31	Family Planning . .	..	1	1	4	9	27	25
32	Opening of New Medical Colleges and expansion of existing ones . .	..	..	..	..	..	42	50
33	Establishments of Tuberculosis Clinics . .	..	..	..	..	..	20	30
34	Establishment and maintenance of Health Units	..	..	..	..	1	22	3

(Figures in lakhs of Rupees)

Sl. No.	Purpose	Actuals, 1951-52	Actuals, 1952-53	Actuals, 1953-54	Actuals, 1954-55	Actuals, 1955-56	Revised, 1956-57	Budget, 1957-58
		1st 5 Year Plan Period						
	Welfare of Backward Classes							
35	Welfare of Backward Classes and Scheduled Tribes and Development of Scheduled Areas	..	1,59	2,25	3,46	1,12	3,57	4,93
36	Social Welfare and Moral Hygiene (Care and after-care programmes) .	..	..	..	..	..	27	75
	Statistical Schemes							
37	Grants-in-aid to State Govts. for the improvement of Statistics . .	..	..	..	..	..	10	12
	Information and Broadcasting Schemes							
38	Grants-in-aid to State Govts. for Community Listening Scheme .	..	..	..	..	3	15	15
	Resettlement and Employment Schemes							
39	Central contribution to States in respect of Employment Exchanges .	..	..	..	..	..	33	67
40	Central contribution to States in respect of Development Schemes under the Second Five Year Plan . . .	..	..	..	..	..	42	1,52
	Small Industries Development Schemes							
41	Grants for the Development of Small Scale Industries	..	2	46	1,17	23	60	1,00
42	Development of Handloom Industries . .	..	..	..	..	1,60	1,88	2,48
43	Conversion of Handlooms into Powerlooms .	..	..	..	..	..	8	36
44	Development of Khadi Industry . . .		..	..	3,31	5,11	6,35	..
45	Development of Village Industries . . .	..	..	..	45	1,24	1,50	..
46	Development of Silk Industry . . .	..	..	..	..	4	29	36
47	Development of Handicrafts	..	..	..	..	16	..	33

(Figures in lakhs of Rupees)

Sl. No.	Purpose	Actuals, 1951-52	Actuals, 1952-53	Actuals, 1953-54	Actuals, 1954-55	Actuals, 1955-56	Revised, 1956-57	Budget, 1957-58
		1st 5 Year Plan Period						
	Relief and Rehabilitation Schemes							
48.	Rehabilitation of Displaced Persons . .	2,75	6,24	5,73	3,62	3,04	4,87	4,94
49.	Relief of Displaced Persons	6,33	..	11	1,87	6,53	9,35	9,15
	Other Miscellaneous Grants							
50.	Natural Calamities .	23	2,17	1,38	4,88	8,75	5,00	7,00
	TOTAL—GRANTS MET FROM REVENUE . . .	92,30	37,37	45,59	60,39	87,39	1,01,77	1,02,42
	III.—GRANTS MET FROM CAPITAL :							
1.	Local Development Works	..	..	82	6,85	4,99	4,97	6,00
	Housing Schemes							
2.	Industrial Housing Scheme	..	..	76	1,07	1,82	3,37	2,10
	Transport Schemes							
3.	State Roads of Economic or Inter-State Importance	.	..	..	31	3,62	3,15	2,75
4.	Grant from Central Road Fund	2,96	2,22	2,65	4,25	3,85	5,60	5,39
5.	National Water Supply Programme . . .	..	..	..	48	2,04	1,47	2,50
	TOTAL—GRANTS MET FROM CAPITAL . . .	2,96	2,22	4,23	12,96	16,32	18,56	18,74
	TOTAL—SHARE OF DIVISIBLE TAXES AND GRANTS .	85,12	1,13,40	1,22,66	1,44,98	1,77,31	1,99,71	2,19,92

PART II—LOANS

Sl. No.	Purpose	Actuals, 1951-52	Actuals, 1952-53	Actuals, 1953-54	Actuals, 1954-55	Actuals, 1955-56	Revised, 1956-57	Budget, 1957-58
1.	Irrigation and Multipurpose River Schemes . .	44,02	38,45	67,10	54,26	48,65	63,68	65,01
2.	Miscellaneous Development Purposes . . .	3,34	19,79	11,57	66,63	70,03	49,00	48,0
3.	Grow More Food including, Tube Well Schemes and Agricultural Finance .	8,57	11,85	25,00	30,10	34,44	28,68	37,93
4.	Rehabilitation Purposes .	15,20	12,04	4,96	7,36	8,40	11,97	8,21

(Figures in lakhs of Rupees)

Sl. No.	Purpose	Actuals, 1951-52	Actuals, 1952-53	Actuals, 1953-54	Actuals, 1954-55	Actuals, 1955-56	Revised, 1956-57	Budget, 1957-58
		1st 5 Year Plan Period						
5.	Industrial Housing and Low Income Housing Schemes . . .	1,68	1,32	1,84	3,72	11,38	10,67	10,40
6.	Community Development Projects and National Extension Service Schemes	..	39	2,20	4,24	7,00	8,58	9,00
7.	Natural Calamities . .	..	..	..	..	2,10	5,00	5,00
8.	Permanent Improvement in scarcity affected areas .	..	2,63	89	9,93	13,69	6,00	4,00
9.	Development of Handloom and Small Scale Industries . . .	..	..	..	3,23	5,36	5,60	5,76
10.	Flood Control Schemes .				..	7,01	10,00	7,00
11.	Urban Water Supply Scheme	49	25,31	41,09	41,21	5,08	3,00	5,50
12.	Sharing or Small Savings Scheme . . .					14,71	19,28	25,00
13.	Other Purposes . .					18,86	19,33	22,27
	TOTAL—LOANS .	73,30	1,11,78	1,54,65	2,20,68	2,46,71	2,40,79	2,53,08*
	GRAND TOTAL . .	1,58,42	2,25,18	2,77,31	3,65,66	4,24,02	4,40,50	4,73,00

(Figures for items 10–13 for 1951-52 to 1954-55 are shown combined against a bracket.)

The Actuals shown above are provisional.

*For the reasons stated in para 66 of the Finance Minister's Budget Speech, the figure in the Budget Statement is less by Rs. 15 crores.

ANNEXURE VIII

The statement below gives a broad analysis of the receipts and disbursements of the Central Government in 1957-58 showing separately the transactions in India and outside the country. The net disbursements abroad of Rs. 213·13 crores does not include expenditure financed by direct remittances from India to suppliers abroad through commercial banking channels, the amount of which is, however, very small.

RECEIPTS

(In lakhs of Rupees)

	India	Abroad	Total
evenue	7,24,01	28	7,24,29
Capital Receipts	..	..	..
Loans raised	2,75,00	90	2,10,73
Floating Debt (net)	79,30	..	2,75,00
Small Savings (net)	2,75,00	..	79,30
Repayment of loans to Central Government	55,91	..	55,91
Other Debt and Deposit transactions (net)	3,24,45	..	3,24,45
TOTAL	16,68,50	1,18	16,69,68
Opening Balance	49,61	51	50,12
GRAND TOTAL	17,18,11	1,69	17,19,80

DISBURSEMENTS

	India	Abroad	Total
Expenditure met from Revenue	6,08,91	79,64	6,88,55
Capital Outlay	5,18,10	32,47	5,50,57
Loans repaid	35,42	3,32	38,74
Loans by the Central Government	3,00,56	1	3,00,57
Inter-State Settlement (net)	1,45	..	1,45
Other Debt and Deposit transactions (net)	..	98,87	98,87
TOTAL	14,64,44	2,14,31	16,78,75
Closing Balance	40,54	51	41,05
GRAND TOTAL	15,04,98	2,14,82	17,19,80
Net	+2,04,06	—2,13,13	—9,07

Taking the budget as a whole, and allowing for an expansion of about Rs. 275 crores of floating debt, transactions in India are estimated to give a surplus of Rs. 204·06 crores and transactions abroad a deficit of Rs. 213·13 crores. The net result is a deficit of Rs. 9·07 crores reflected in the closing balance of Rs. 41·05 crores at the end of the year.

ANNEXURE IX

Statement showing the distribution by Demands for Grants of the expenditure shown by heads of account in the Budget of the Central Government for 1957-58.

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount: Gross expediture (*i.e.*, amount of Demand)	Amount: Recoveries taken in reduction of expenditure in the Budget	Amount: Net expenditure shown in the Budget
I. *Expenditure met from Revenue*				
Direct Demands on the Revenue—				
Customs	28. Customs . .	4,03,133	—56	4,02,57
1. Union Excise Duties . .	29. Union Excise Duties	26,60,79	—2,03,66	24,57,13
3. Corporation Tax . . .	30. Taxes on Income including Corporation Tax . . .	1,17,55	..	1,17,55
4. Taxes on Income other than Corporation Tax.	30. Taxes on Income including Corporation Tax	3,42,40	..	3,42,40
5. Estate Duty	30. Taxes on Income including Corporation Tax . . .	8,84	..	8,84
6. Opium	31. Opium	2,11,07	..	2,11,07
7. Land Revenue	57. Delhi	2,35	..	2,35
	58. Himachal Pradesh .	11,68	..	11,68
	59. Andaman and Nicobar Islands . . .	1,00	..	1,00
	60. Manipur . .	3,06	..	3,06
	61. Tripura . . .	17,74	..	17,74
TOTAL—LAND REVENUE		35,83	..	35,83
8. State Excise Duties . .	57. Delhi . . .	42,93	..	42,93
	58. Himachal Pradesh .	1,91	..	1,91
	60. Manipur . .	22	..	22
	61. Tripura . . .	51	..	51
TOTAL—STATE EXCISE DUTIES . . .		45,57	..	45,57
9. Stamps	32. Stamps . . .	1,73,79	—5,47	1,68,32
	57. Delhi . . .	1,07	..	1,07
	58. Himachal Pradesh .	10	..	10
	59. Andaman and Nicobar Islands . . .	1	..	1
	60. Manipur . .	7	..	7
	61. Tripura . . .	20	..	20
TOTAL—STAMPS		1,75,24	—5,47	1,69,77
10. Forest	43. Forest	2,07,02	—12,71	1,94,31
	57. Delhi	1,30	..	1,30
	58. Himachal Pradesh .	39,30	..	39,30
	59. Andaman and Nicobar Islands . . .	1,22,74	—13,00	1,09,74
	60. Manipur . .	2,19	..	2,19
	61. Tripura . . .	9,79	..	9,79
TOTAL—FOERST		3,82,34	25,71	3,56,63

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i. e.* amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
11. Registration	57. Delhi	55	..	55
	58. Himachal Pradesh	1	..	1
	60. Manipur	23	..	23
	61. Tripura	97	..	97
TOTAL—REGISTRATION		1,76	..	1,76
12. Taxes on Vehicles	57. Delhi	20,15	..	20,15
	58. Himachal Pradesh	10	..	10
	61. Tripura	9	..	9
TOTAL—TAXES ON VEHICLES		20,34	..	20,34
13. Other Taxes & Duties	57. Delhi	10,12	..	10,12
	58. Himachal Pradesh	1	..	1
	60. Manipur	33	..	33
	61. Tripura	1	..	1
TOTAL—OTHER TAXES, ETC.		10,47	.	10,47
* TOTAL—DIRECT DEMANDS ON THE REVENUE		44,15,33	—2,35,40	41,79,93
Irrigation Works—				
18. Other Revenue Expenditure	57. Delhi	78	..	78
	58. Himachal Pradesh	4,64	..	4,64
	60. Manipur	3,25	..	3,25
	61. Tripura	1,16	..	1,16
	69. Miscellaneous Departments and Expenditure under the Ministry of Irrigation and Power	38	..	38
TOTAL—OTHER REVENUE EXPENDITURE		10,21	..	10,21
20. Posts and Telegraphs—Interest on Debt.	83. Indian Posts & Telegraphs Department (*a*)	2,78,94	—1,71	2,77,23
22. Interest on Debt and other obligations.	Interest on Debt and other obligations	1,14,33,05	—84,33,05	30,00,00
23. Appropriation for Reduction or Avoidance of Debt.	Ditto	5,00,00	..	5,00,00
Civil Administration—				
25. General Administration	1. Ministry of Commerce and Industry	50,51	..	50,51
	6. Ministry of Community Development	20,76	..	20,76
	8. Ministry of Defence	35,47	..	35,47
	13. Ministry of Education and Scientific Research	65,24	..	65,24
	24. Ministry of External Affairs	1,03,43	—63	1,03,80
	27. Ministry of Finance	1,54,94	—3,11	1,51,83

((*a*) See also head XIX on page 294.

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount: Gross expenditure (*i.e.*, amount of Demand)	Amount: Recoveries taken in reduction of expenditure in the Budget	Amount: Net expenditure shown in the Budget
25. General Administration—*concld.*				
	42. Ministry of Food and Agriculture	79,60	—5	79,55
	47. Ministry of Health	13,13	..	13,13
	51. Ministry of Home Affairs	2,63,68	..	2,63,68
	52. Cabinet	36,56	..	36,56
	53. Zonal Council	4,51	..	4,51
	57. Delhi	31,35	..	31,35
	58. Himachal Pradesh	34,95	..	34,95
	59. Andaman & Nicobar Islands	10,79	..	10,79
	60. Manipur	9,53	..	9,53
	61. Tripura	15,32	..	15,32
	62. Laccadive, Minicoy and Amindivi Islands	2,40	..	2,40
	64. Ministry of Information and Broadcasting	13,21	..	13,21
	67. Ministry of Irrigation and Power	17,37	..	17,37
	70. Ministry of Labour and Employment	16,94	..	16,94
	73. Ministry of Law	1,72,38	—70	1,71,68
	76. Ministry of Rehabilitation	43,75	..	43,75
	78. Ministry of Steel, Mines and Fuel	31,15	..	31,15
	82. Ministry of Transport and Communications	72,09	—7,55	64,54
	92. Ministry of Works, Housing and Supply	56,01	—87	55,14
	97. Department of Atomic Energy	8,70	..	8,70
	99. Department of Parliamentary Affairs	1,91	..	1,91
	100. Lok Sabha	1,21,36	..	1,21,36
	102. Rajya Sabha	37,59	..	37,59
	103. Secretariat of the Vice President	62	..	62
	Staff, Household and Allowances of the President	18,38	..	18,38
	Union Public Service Commission	36,74	..	36,74
TOTAL—GENERAL ADMINISTRATION		15,80,37	—12,91	15,67,46
26. Audit	33. Audit	9,51,83	—2,89,99	6,61,84
27. Administration of Justice	57. Delhi	14,29	..	14,29
	58. Himachal Pradesh	5,38	..	5,38
	60. Manipur	1,65	..	1,65
	61. Tripura	2,36	..	2,36
	74. Administration of Justice	14,99	—3	14,96
TOTAL—ADMINISTRATION OF JUSTICE		38,67	—3	38,64

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure in the Budget
28. Jails and Convict Settlement.	57. Delhi	7,71	—50	7,21
	58. Himachal Pradesh	2,33	..	2,33
	59. Andaman and Nicobar Island	49	..	49
	60. Manipur	1,21	..	1,21
	61. Tripura	2,06	..	2,06
TOTAL—JAILS AND CONVICT SETTLEMENTS.		13,80	—50	13,30
29. Police	54. Police	4,87,43	—3,95	4,83,48
	57. Delhi	1,65,72	—41	1,65,31
	58. Himachal Pradesh	35,41	..	35,41
	59. Andaman & Nicobar Islands	29,19	..	29,19
	60. Manipur	37,86	..	37,86
	61. Tripura	43,35	..	43,35
	62. Laccadive, Minicoy and Amindivi Islands	50	..	50
	TOTAL—POLICE	7,99,46	—4,36	7,95,10
30. Ports & Pilotage	59. Andaman & Nicobar Islands	61,17	—18,25	42,92
	84. Ports and Pilotage	63,17	—81	62,36
TOTAL—PORTS AND PILOTAGE		1,24,34	—19,06	1,05,28
31. Lighthouses and Lightships.	85. Lighthouses and Lightships	1,38,56	—95,56	43,00
34. Tribal Areas	23. Tribal Areas	5,82,02	—42,00	5,40,02
35. External Affairs	24. External Affairs	7,27,04	—14,21	7,12,83
36. Scientific Departments	14. Archaeology	96,93	..	96,93
	15. Survey of India	1,64,85	—57,02	1,07,83
	16. Botanical Survey	10,67	..	10,67
	17. Zoological Survey	10,24	..	10,24
	18. Geological Survey	95,35	—2,50	92,85
	19. Scientific Research	3,56,19	—60,00	2,96,19
	20. Other Scientific Departments	2,76,24	—8	2,76,16
	46. Miscellaneous Departments and other Expenditure under the Ministry of Food and Agriculture	3,25	..	3,25
	58. Himachal Pradesh	5	..	5
	71. Chief Inspector of Mines	23,84	..	23,84
	79. Mines	48,63	—8,00	40,63
	80. Exploration of Oil and Natural Gas	2,57,67	..	2,57,67
	86. Meteorology	1,52,29	—8,67	1,43,62
	98. Atomic Energy Research	3,10,00	—27,00	2,83,00
TOTAL—SCIENTIFIC DEPARTMENTS		18,06,20	—1,63,27	16,42,93

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
37. Education	21. Education	25,86,61	−72,74	25,13,87
	57. Delhi	2,31,17	−9	2,31,08
	58. Himachal Pradesh	76,75	..	76,75
	59. Andaman & Nicobar Islands	7,52	..	7,52
	60. Manipur	24,04	..	24,04
	61. Tripura	57,15	..	57,15
	62. Laccadive, Minicoy and Amindivi Islands	2,00	..	2,00
TOTAL—EDUCATION		29,85,24	−72,83	29,12,41
38. Medical	48. Medical Services	3,88,17	−42,61	3,45,56
	57. Delhi	85,44	..	85,44
	58. Himachal Pradesh	33,19	..	33,19
	59. Andaman & Nicobar Islands	7,65	..	7,65
	60. Manipur	11,38	..	11,38
	61. Tripura	15,80	..	15,80
	62. Laccadive, Minicoy and Amindivi Islands	2,00	..	2,00
TOTAL—MEDICAL		5,43,63	−42,61	5,01,02
39. Public Health	49. Public Health	9,17,65	−3,84,79	5,32,86
	57. Delhi	19,74	−2,16	17,58
	58. Himachal Pradesh	16,87	−1,35	15,52
	59. Andaman & Nicobar Islands	3,03	..	3,03
	60. Manipur	6,08	−3,72	2,36
	61. Tripura	7,92	−1,86	6,06
	62. Laccadive, Minicoy and Amindivi Islands	50	..	50
TOTAL—PUBLIC HEALTH		9,71,79	−3,93,88	5,77,91
40. Agriculture	44. Agriculture	16,40,27	−3,42,77	12,97,50
	57. Delhi	13,16	−1,80	11,36
	58. Himachal Pradesh	20,09	..	20,09
	59. Andaman & Nicobar Islands	5,37	..	5,37
	60. Manipur	2,09	..	2,09
	61. Tripura	11,96	..	11,96
	62. Laccadive Minicoy and Amindivi Islands	2,75	..	2,75
TOTAL—AGRICULTURE		16,95,69	−3,44,57	13,51,12
40-A. Rural Development	46. Miscellaneous Departments and other Expenditure of the Ministry of Food and Agriculture	85,25	−10,00	75,25

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
41. Veterinary	45. Civil Veterinary Services	1,44,35	−13,76	1,30,59
	57. Delhi	3,41	..	3,41
	58. Himachal Pradesh	9,98	..	9,98
	59. Andaman & Nicobar Islands	2,76	..	2,76
	60. Manipur	1,47	..	1,47
	61. Tripura	2,10	..	2,10
TOTAL—VETERINARY		1,64,07	−13,76	1,50,31
42. Co-operation	46. Miscellaneous Departments and other Expenditure of the Ministry of Food and Agriculture	1,44,70	−4,27	1,40,43
	57. Delhi	4,25	..	4,25
	58. Himachal Pradesh	6,92	..	6,92
	59. Andaman & Nicobar Islands	74	..	74
	60. Manipur	1,29	..	1,29
	61. Tripura	1,53	..	1,53
	62. Laccadive, Minicoy and Amindivi Islands	75	..	75
TOTAL—CO-OPERATION		1,60,18	−4,27	1,55,91
43. Industries and Supplies	2. Industries	24,63,36	−5,79,50	18,83,86
	3. Salt	1,53,30	−3,41	1,49,89
	57. Delhi	4,40	−57	3,83
	58. Himachal Pradesh	36,40	..	36,40
	59. Andaman and Nicobar Islands	1,00	..	1,00
	60. Manipur	1,79	−24	1,55
	61. Tripura	75	..	75
	81. Miscellaneous Departments and other expenditure under the Ministry of Steel, Mines and Fuel	53,49,57	−25,14,10	28,35,47
	87. Overseas Communication Service	1,21,59	..	1,21,59
	91. Miscellaneous Department and Other Expenditure under the Ministry of Transport and Communications	1,00,00	..	1,00,00
	93. Supplies	2,61,14	−79,23	1,81,91
TOTAL—INDUSTRIES AND SUPPLIES		84, 93,30	−31,77,05	53,16,25
44. Aviation	88. Aviation	3,56,63	−51,41	3,05,22
45. Broadcasting	65. Broadcasting	3,79,89	−21,50	3,58,39
47. Miscellaneous Departments	4. Commercial Intelligence and Statistics	82,81	−4	82,77
	5. Miscellaneous Departments & Expenditure under the Ministry of Commerce and Industry	1,25,55	..	1,25,55

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount: Gross expenditure (*i.e.*, amount of Demand)	Amount: Recoveries taken in reduction of expenditure in the Budget	Amount: Net expenditure shown in the Budget
47. Miscellaneous Departments—*concld.*	22. Miscellaneous Departments and expenditure under the Ministry of Education and Scientific Research	31,17	—16	31,55
	38. Miscellaneous Departments and other expenditure under the Ministry of Finance	67,62	—9	67,53
	46. Miscellaneous Departments and other expenditure under the Ministry of Food and Agriculture	33,39	—11,03	22,36
	55. Census	8,49	..	8,49
	57. Delhi	14,49	..	14,49
	58. Himachal Pradesh	3,31	..	3,31
	59. Andaman & Nicobar Islands	13,59	—4,51	9,08
	60. Manipur	59	..	59
	61. Tripura	4,72	..	4,72
	63. Miscellaneous Departments and expenditure under the Ministry of Home Affairs	1,90,80	—70	1,90,10
	66. Miscellaneous Departments and expenditure under the Ministry of Information and Broadcasting	3,36,39	—5,13	3,31,26
	69. Miscellaneous Departments and expenditure under the Ministry of Irrigation and Power	74,54	—22,40	52,14
	72. Miscellaneous Departments and expenditure under the Ministry of Labour and Employment	4,73,76	—2,85,74	1,88,02
	81. Miscellaneous Departments and other expenditure under the Ministry of Steel, Mines and Fuel	1,23,96	..	1,23,96
	91. Miscellaneous Departments and other Expenditure unde the Ministry of Transport and Communications	10,07	..	10,07
	96. Miscellaneous Departments and expenditure under the Ministry of Works, Housing and Supply	11,73	—6	11,67
TOTAL—MISCELLANEOUS DEPARTMENTS		16,07,52	—3,29,86	12,77,66
TOTAL—CIVIL ADMINISTRATION		2,42,05,48	—51,03,63	1,91,01,85
48. Currency	34. Currency	3,68,41	—8,70	3,59,71
49. Mint	35. Mint	3,12,18	—10	3,12,08
50. Civil Works	89. Central Road Fund	4,28,19	—28,19	4,00,00
	90. Communications (including National High-Ways)	5,72,68	..	5,72,68
	94. Other Civil Works	21,00,04	—15,75,01	5,25,03
TOTAL—CIVIL WORKS		31,00,91	—16,03,20	14,97,71

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount: Gross expenditure (*i.e.*, amount of Demand)	Amount: Recoveries taken in reduction of expenditure in the Budget	Amount: Net expenditure shown in the Budget
51.-B. Other revenue expenditure connected with Multi-purpose River Schemes	68. Multi-purpose River Schemes	1,60,33	—69,75	90,58
52-A. Other Revenue Expenditure connected with Electricity Schemes	58. Himachal Pradesh	4,95	..	4,95
54. Famine	57. Delhi	25	..	25
54-A. Territorial and Political Pensions	36. Territorial and Political Pensions	27,95	..	27,95
54-B. Privy Purses and Allowances of Indian Rulers.	56. Privy Purses and Allowances of Indian Rulers	5,54,48	..	5,54,48
55. Superannuation allowances and Pensions.	37. Superannuation Allowances and Pensions	3,47,02	—11,91	3,35,11
56. Stationery and Printing	59. Andaman & Nicober Islands	40	..	40
	95. Stationery and Printing	6,89,77	—4,19,81	2,69,96
	TOTAL—STATIONERY AND PRINTING	6,90,17	—4,19,81	2,70,36
57.—Miscellaneous	5. Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry	18,13	..	18,13
	22. Miscellaneous Departments and Expenditure under the Ministry of Education and Scientific Research	1,63,83	..	1,63,83
	25. State of Pondicherry	3,30,51	—31,50	2,99,01
	26. Miscellaneous Expenditure under the Ministry of External Affairs	3,61	..	3,61
	38. Miscellaneous Departments and other Expenditure under the Ministry of Finance	14,76,91	—12,20	14,64,71
	39. Planning Commission	67,61	..	67,61
	46. Miscellaneous Departments and other Expenditure under the Ministry of Food and Agriculture	3,81,00	—2,74	3,78,26

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amouunt		
		Gross expenditure (ie., amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
57. Miscellaneous—*contd.*	50. Miscellaneous Expenditure under the Ministry of Health.	1,03,81	..	1,03,81
	57. Delhi	18,33	—2,75	15,58
	58. Himachal Pradesh . .	33,27	..	33,27
	59. Andaman & Nicobar Islands	6,57	..	6,57
	60. Manipur (*a*)	21,70	..	21,70
	61. Tripura	30,08	..	30,08
	62. Laccadive, Minicoy and Amindivi Islands . .	2,25	..	2,25
	63. Miscellaneous Departments and Expendiure under the Ministry of Home Affairs .	8,61,58	– 6,47	8,55,11
	66. Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting	10,65	..	10,65
	69. Miscellaneous Departments and Expenditure under the Ministry of Irrigation and Power	23,16	..	23,16
	72. Miscellaneous Departments and Expenditure under the Ministry of Labour . .	3,91,81	—7,92	3,83,89
	75. Miscellaneous Expenditure under the Ministry of Law . .	6,25	..	6,25
	77. Expenditure on displaced persons	22,50,26	—23	22,50,03
	81. Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel	1,23,40	..	1,23,40
	91. Miscellaneous Departments and Expenditure under the Ministry of Transport and Communications . . .	47,87	—15	47,72
	96. Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply	78,13	—2,50	75,63
	101. Miscellaneous Expenditure under the Lok Sabha . .	34	..	34
	TOTAL—MISCELLANEOUS . .	64,51,06	—66,46	63,84,60

(a) See also head XLVI A on page 294—

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
58. Defence Services, Effective—Army.	9. Defence Services Effective—Army	1,72,38,28	—5,81,67	1,66,56,61
59. Defence Services, Effective—Navy . .	10. Defence Services, Effective—Navy	16,01,41	—3,60	15,97,81
60. Defence Services, Effective—Air Force.	11. Defence Services, Effective—Air Force	69,81,49	..	69,81,49
60-A. Defence Services Non-Effective.	12. Defence Services, Non-Effective Charges . . .	13,81,89	..	13,81,89
61. Grants-in-aid to States	*Grants-in-aid to States* . .	25,16,66	..	25,16,66
62. Miscellaneous Adjustments between the Union and State Governments.	40. Miscellaneous Adjustments between the Union and State Governments . . .	6,10	..	6,10
63. Extraordinary Payment	38. Miscellaneous Departments and other Expenditure under the Ministry of Finance	10,00,00	..	10,00,00
63-B. Community Development Projects.	7. Community Project Administration and National Extension Service . .	12,30,86	—85,57	11,45,29
	39. Planning Commission .	97,00	..	97,00
	57. Delhi	8,67	..	8,67
	58. Himachal Pradesh . .	48,05	..	48,05
	59. Andaman and Nicobar Islands	25	..	25
	60. Manipur	5,84	..	5,84
	61. Tripura	9,78	..	9,78
	TOTAL —COMMUNITY DEVELOPMENT PROJECTS . .	14,00,45	—85,57	13,14,88
	72. Miscellaneous Departments and Expenditure under the Ministry of Labour and Employment	1,00	..	1,00
64-C. Pre-partition Payments.	41. Pre-partition Payments .	70,00	..	70,00
	TOTAL . . .	8,50,58,00	—1,66,24,56	6,84,33,44
Add—Railway Expenditure as per Railway Budget.		88,89,65	..	88,89,65
TOTAL—EXPENDITURE MET FROM REVENUE .		9,39,47,65	—1,66,24,56	7,73,23,09

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
Posts and Telegraphs				
XIX. Posts and Telegraphs *Deduct*—Working Expenses.	83. Indian Posts and Telegraphs Departments . . .	59,64,99	—4,28,98	55,36,01
Civil Works and Miscellaneous Public Improvements				
XLI. Receipts from Electricity Schemes—*Deduct*—Working Expenses.	58. Himachal Pradesh . .	2,05	..	2,05
	60. Manipur	1,91	..	1,91
	61. Tripura	3,74	..	3,74
	TOTAL—RECEIPTS FROM ELECTRICITY SCHEMES	7,70	..	6,70
Miscellaneous				
XLVI. A. Receipts from Road and Water Transpart Schemes—*Deduct*—Working Expenses	58. Himachal Pradesh . .	41,42	—6,46	34,96
	60. Manipur	9,75	..	9,75
	62. Laccadive, Minicoy and Amindivi Islands . .	1,50	..	1,50
	TOTAL—RECEIPTS FROM ROAD AND WATER TRANSPORT SCHEME	52,67	—6,46	46,21
	TOTAL .	60,25,36	—4,35,44	55,89,92
	GRAND TOTAL .	9,99,73,01	—1,70,60,00	8,29,13,01
	Deduct—Railway Expenditure as shown above . . .	88,89,65	..	88,89,65
TOTAL—EXPENDITURE MET FROM REVENUE AS SHOWN IN DEMANDS FOR GRANTS		9,10,83,36	—1,70,60,00	7,40,23,36
II Capital Account not met from Revenue—				
65-A. Capital Outlay on Forests.	116. Capital Outlay on Forests .	18,31	..	18,31
66. Capital Outlay on the Security Printing Press.	109. Capital Outlay on the India Security Press . . .	7,67	..	7,61
68. Construction of Irrigation, Navigation, Embankment and Drainage Works.	133. Other Capital Outlay of the Ministry of Irrigation and Power	17,22	..	17,22
69. Capital Outlay on Posts and Telegraphs	127. Capital Outlay on Indian Posts and Telegraphs . .	24,77,45	15,92,45	9,85,00

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
71. Capital Outlay on Schemes of Agricultural Improvement and Research.	118. Other Capital Outlay of the Ministry of Food and Agriculture.	3,14,39	—72,50	2,41,89
72. Capital Outlay on Industrial Development.	104. Capital Outlay of the Ministry of Commerce and Industry	6,17,88	—12,00	6,05,88
	107. Capital Outlay of the Ministry of Education and Scientific Research . . .	69,00	..	69,00
	114. Other Capital Outlay of the Ministry of Finance . .	16,00	..	16,00
	119. Capital Outlay of the Ministry of Health . . .	2,00	..	2,00
	123. Other Capital Outlay of the Ministry of Irrigation and Power . . .	10,00	..	10,00
	126. Capital Outlay of the Ministry of Steel, Mines and Fuel .	1,65,59,65	..	1,65,59,65
	131. Capital Outlay of the Ministry of Transport and Communications . . .	10,62,00	—8,16	10,53,84
	134. Other Capital Outlay of the Ministry of Works, Housing and Supply . . .	1,01	..	1,01
	135. Capital Outlay of the Department of Atomic Energy.	5,70,00	—2,95,00	2,75,00
TOTAL—CAPITAL OUTLAY ON INDUSTRIAL DEVELOPMENT	. . . . .	1,89,07,54	—3,15,16	1,85,92,38
72-A. Capital Outlay on Civil Aviation.	128. Capital Outlay on Civil Aviation	2,87,61	..	2,87,61
72-B. Capital Outlay on Broadcasting.	121. Capital Outlay on Broadcasting	3,03,04	—1,38,04	1,65,00
73. Capital Outlay on Ports	129. Capital Outlay on Ports	5,35,00	—5,98	5,29,02
77. Currency Capital Account outside the Revenue Account.	110. Capital Outlay on Currency and Coinage. . .	2,66,81	—2,63,96	2,85
77-A. Capital Outlay on Mints.	111. Capital Outlay on Mints .	72,00	..	72,00

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
78. Initial Expenditure on New Capital at Delhi	132. Delhi Capital Outlay .	7,38,42	..	7,38,42
80-A. Capital Outlay on Multi-purpose River Schemes.	122. Capital Outlay on Multi-purpose River Schemes .	3,73,07	—1,50	3,71,57
81. Capital Outlay on Civil Works.	130. Capital Outlay on Roads .	11,75,00	..	11,75,00
	133. Capital Outlay on Buildings	4,61,58	—5,00,00	—38,42
TOTAL—CAPITAL OUTLAY ON CIVIL WORKS		16,36,58	—5,00,00	11,36,58
81-A. Capital Outlay on Electricity Schemes.	120. Capitla Outlay of the Ministry of Home Affairs .	1,50	..	1,50
	123. Other Capital Outlay of the Ministry of Irrigation and Power	36,00	..	36,00
	TOTAL .	37,50	..	37,50
82. Capital Account of Other Works outside the Revenue Account	118. Other Capital Outlay of the Ministry of Food & Agriculture	3,55,00	—3,00	3,52,00
82-B. Capital Outlay on Road and Water Transport Schemes.	131. Other Capital Outlay of the Ministry of Transport and Communications . .	13,00	..	13,00
82-C. Capital Outlay on Shipping Tankers, etc.	120. Capital Outlay of the Ministry of Home Affairs .	1,43,75	..	1,43,75
	131. Other Capital Outlay of the Ministry of Transport and Communications . .	20,00	..	20,00
	TOTAL .	1,63,75	..	1,63,75
83. Payments of Commuted Value of Pensions.	112. Commuted Value of Pensions	43,55	—74,90	—31,35
83-A. Capital Outlay on Sterling Pensions.	Capital Outlay on Sterling Pensions	..	—8,85,24	—8,85,24
85. Payments to Retrenched Personnel .	113. Payments to Retrenched Personnel	24	—64	—40
85-D. Capital Outlay on payments to Displaced Persons.	125. Capital Outlay of the Ministry of Rehabilitation .	24,00,00	—4,09,46	19,90,54
85-E. Transfer of Sale proceeds of American Loan Commodities.	114. Other Capital Outlay of the Ministry of Finance . .	95,30,00	..	95,30,00

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (i.e., amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
86. Defence Capital Outlay	106. Defence Capital Outlay .	25,00,00	—1,45,50	23,54,50
87. Capital Outlay on Schemes of Government Trading.				
	104. Capital Outlay of the Ministry of Commerce and Industry	8,01,13	—8,01,01	12
	105. Capital Outlay of the Ministry of Community Development . .	1,67,49	—1,67,49	..
	107. Capital Outlay of the Ministry of Education and Scientific Research .	1,14,17	—1,14,17	..
	108. Capital Outlay of the Ministry of External Affairs .	30 00	—27,02	2,98
	114. Other Capital Outlay of the Ministry of Finance	3,39,50	-3,39,50	..
	117. Purchase of Foodgrains .	1,46,25,00	—90,81,00	55,44,00
	118. Other Capital Outlay of the Ministry of Food and Agriculture . . .	28,45,43	—28,67,18	—27,75
	119. Capital Outlay of the Ministry of Health . .	7,58,88	—7,74,82	—15,94
	120. Capital Outlay of the Ministry of Home Affairs	14,20	—14,20	..
	121. Capital Outlay on Broadcasting .	36,96	—36,96	..
	123. Other Capital Outlay of the Ministry of Irrigation and Power	31,56	—31,65	..
	124. Capital Outlay of the Ministry of Labour and Employment	34,22	—34,22	..
	126. Capital Outlay of the Ministry of Steel, Mines and Fuel	3,05,59	—8,79,55	—5,73,96
	131. Other Capital Outlay of the Ministry of Transport and Communications . .	57,92	—57,92	..
	134. Other Capital Outlay of the Ministry of Works, Housing and Supply . .	4,75	—4,93	—18
	135. Capital Outlay of the Department of Atomic Energy	3,30,00	—3,30,00	..
TOTAL—CAPITAL OUTLAY ON SCHEMES OF GOVERNMENT TRADING		2,04,96,89	—1,55,61,62	49,35,27

(In thousands of Rupees)

Major Head of Account		Number and Name of Demand	Amount		
			Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
88. Grants to States for Development.		114. Other Capital Outlay of the Ministry of Finance .	6,00,00	—1,34,50	4,65,50
		119. Capital Outlay of the Ministry of Health . .	2,50,00	—1,25,00	1,25,00
		120. Capital Outlay of the Ministry of Home Affairs .	63,44	—22,44	41,00
		130. Capital Outlay on Roads .	2,75,00	—49,18	2,25,82
		134. Other Capital Outlay of the Ministry of Works, Housing and Supply . . .	2,10,00	-52,42	1,57,58
		TOTAL—GRANTS TO STATES, ETC. .	13,98,44	—3,83,54	10,14,90
TOTAL—CAPITAL ACCOUNT NOT MET FROM REVENUE			6,28,93,41	—2,02,53,49	4,26,39,93
Add—Railway Capital as shown in Railway Budget . .			1,24,17,10	..	1,24,17,10
		TOTAL—CAPITAL .	7,53,10,52	— 2,02,53,49	5,50,57,03
O. Statement of Capital Disbursements of the Central Government.					
Loans and Advances by the Central Government.					
Advances to State Governments	2,48,36,71*				
Other Loans and Advances	67,20,01	115. Loans and Advances by the Central Government .	3,39,41,21*	—23,84,49	3,15,56,72*
	3,15,56,72*				
Public Debt					
A. Debt raised in India—					
I. Rupee Debt . .	31,85,00	Repayment of Debt	35,00,19,31	..	35,00,19,31
II. Floating Debt .	34,60,00,00				
B. Debt raised in England	61,60				
C. Other Debt . .	6,27,31				
D. Inter-State Settlement	1,45,40				
	35,00,19,31				

*For the reasons stated in para 66 of the Finance Minister's Budget Speech the figure in the Budget statement is less by Rs. 15 crores.

ANNEXURE X

Statement showing the distribution of the Budget Estimates for **1957-58** *under broad categories of Civil Expenditure met from revenue*

	(In lakhs of Rs.)
PAY OF OFFICERS	14,62
PAY OF ESTABLISHMENTS	47,37
ALLOWANCES, HONORARIA, ETC., ...	44,78
CONTINGENCIES	32,48
INTEREST CHARGES INCLUDING REDUCTION OR AVOIDANCE OF DEBT	1,19,33
PENSIONS INCLUDING PRIVY PURSES . . .	9,01
GRANTS-IN-AID TO STATES AND OTHERS . .	1,12,98
CIVIL WORKS INCLUDING COMMUNICATION WORKS AND CENTRAL ROAD FUND . . .	25,28
STATES' SHARE OF UNION EXCISE DUTIES . .	19,17
EXPENDITURE ON DISPLACED PERSONS. . .	22,50
OTHER EXPENDITURE	1,91,28
TOTAL . . .	6,38,80

NOTE—Dearness and other allowances of staff paid from contigecies are included under 'Aontigencies'.

ANNEXURE XI

Note on Certain Relief and Rehabilitation Schemes for displaced persons.

This note embodies some of the Relief and Rehabilitation Schemes undertaken by Government for the benefit of the displaced persons.

I. Interim Relief Schemes.

As a result of an agreement with Pakistan in April 1949, a Central Claims Organisation was set up under the Ministry of Rehabilitation to process the claims in respect of pension, provident fund, pay, leave salary and security deposits of the displaced Government servants, servants of States and Local Bodies of the undivided provinces to arrange their settlement with the authorities in Pakistan and effect payments in India. Later on similar claims of such of the Central Government Servants who opted finally for one country and subsequently migrated to the other was also taken up by the Central Claims Organisation in consultation with the Government of Pakistan. As the pace of verification of the claims was very slow, further agreement was entered into in May, 1950 under which it was agreed that provisional payments on behalf of Pakistan should be made to the following categories of persons on rough and ready verification, pending final verification of their claims by the Pakistan authorities.

(i) Displaced Government servants and employees of Local Bodies whose pensions were sanctioned by the respective competent authorities in Pakistan.

(ii) Central Government servants who opted finally for one country and subsequently migrated to the other and whose pensions were sanctioned by the respective competent authorities.

(iii) Displaced Government servants and employees of Local Bodies who had claims in West Pakistan relating to their provident fund.

In the case of displaced persons, falling under categories (i) and (ii), full pensions are being paid on provisional basis on production of Pension Payment Orders and with regard to those under category (iii), 50 per cent of the amount of G.P. Fund accumulations at their credit is being paid on the basis of the balance shown in the account slips furnished by the subscribers.

The Government of India, have also introduced an Interim Relief Scheme to provide some relief to the persons of the following categories in order to mitigate the suffering of the displaced persons who were not covered under the Indo-Pakistan Provisional Payment Scheme mentioned above and are in indigent circumstances.

(a) *Displaced persons whose pensions are due but not sanctioned.* Relief to the extent of 50 per cent of pension due but not sanctioned in Pakistan, subject to a maximum of Rs. 150 p.m. is paid in such cases, pending final verification of the claims by the Pakistan Government.

(b) *Displaced Court of Wards.*

Displaced Wards whose estates were under the superintendence of Courts of Wards in West Pakistan are given a monthly allowance which varies from Rs. 25 to Rs. 250 p.m., depending on the extent of the estate and the allowance drawn in Pakistan.

(c) *Displaced persons who had Post Office Savings Bank Accounts, Cash Certificates and Postal Life Insurance Policies in Pakistan.*

This Scheme envisages relief to persons who could not get their Savings Bank Accounts and Cash Certificates transferred to India and who had got their Claims registered with a Post Office in India by the prescribed dates. Such persons are eligible for monthly allowance at the rate of Rs. 75 to Rs. 100 p.m. or half the total deposits whichever is less. In the case of the Postal Life Insurance Policies, relief upto 50 per cent. of the amount assured at the rate of Rs. 100 pm. is granted subject to the condition that the policy has matured.

(d) *Relief to Ex-employees of Punjab Public Library, Lahore.*

50 per cent. of the Provident Fund amount at the credit of those who could not obtain their dues from the authorities concerned in Pakistan is being paid to them.

(e) *Survivors of the victims of Quetta earth-quake.*

Full allowance which the claimants were receiving in Pakistan is paid.

(f) *Extraordinary pensions.*

The former employees of undivided Provinces of Sind and N.W.F.P. who were killed or injured during civil disturbances or their dependents are being paid extraordinary pensions. Relief is given in these cases at the rate fixed by the Punjab Government for such displaced persons in that State.

(g) *Family disability pensions.*

Under this Scheme, relief is sanctioned to the former employees of undivided Provinces of Sind, N.W.F.P. and the States of Bahawalpur and Khairpur or their dependents, both in cases where pensions were sanctioned in Pakistan and in cases where pensions were due but had not been sanctioned in Pakistan and the beneficiaries were precluded from obtaining benefits. Full pension is paid in cases where it was sanctioned in Pakistan. While in cases in which it was due but had not been sanctioned in Pakistan, relief is given at the rates fixed by the Punjab Government for such displaced persons in that State.

A total provision of Rs. 2·89 lakhs has been made in the Budget estimates for 1957-58 for all the items of the Interim Relief Schemes referred to above under the following Heads of account.

	Rs.
Loans and Advances by the Central Government—Miscellaneous Loans and Advances. (Demand No. 131)	
Loans to displaced persons—Interim Relief to displaced persons	2,61,350
Expenditure on displaced persons. (Demand No. 96)—Miscellaneous	28,000
TOTAL	2,89,350

II. Compensation for immovable property left in Pakistan.

Payment of compensation for immovable property left by displaced persons in West Pakistan was approved in principle by the Government of India in May, 1953. Pending the formulation of detailed proposals regarding the payment of compensation, an Interim Compensation Scheme was sanctioned in November, 1953 for the benefit of certain needy and vulnerable sections of displaced persons, such as, maintenance allowance grantees, widows and inmates of homes and infimaries. On the enactment of the Displaced Persons (Compensation and Rehabilitation) Act, 1954 and promulgation of the rules thereunder, this Interim Scheme was replaced by the Final Scheme which was approved by the Parliament in September, 1955. The Scheme visualises the payment of compensation to over 4·5 lakhs of displaced persons from West Pakistan, and the payment of rehabilitation grants to approximately 30,000 displaced persons.

2. For the purposes of payment of compensation and rehabilitation grants to displaced persons, a Compensation Pool has been created under Section 14 of the Act which consists of

(i) all evacuee property acquired under Section 12 of the Displaced Persons (Compensation and Rehabilitation) Act, 1954 including the sale proceeds of any such property and all profits and income accruing from such property;

(ii) such cash balances lying with the Custodian as may, by order of the Central Government, be transferred to the Compensation Pool;

(iii) such contributions, in any form whatsoever, as may be made to the Compensation Pool by the Central Government or any State Government; and

(iv) such other assets as may be prescribed.

Generally speaking the scheme visualises the payment of compensation to claimants in kind, but with a view to afford immediate relief to the more vulnerable sections of the refugee population, a number of priorities have been laid down and it has been decided to pay to the priority claimants up to Rs. 8,000 in cash. In addition small claimants having verified claims upto Rs. 10,000 have also to be paid in cash.

3. Upto December 1956, 1,47,439 claimants had been paid compensation to the extent of Rs. 45·65 crores; out of this Rs. 28·67 crores was paid in cash, Rs. 9·79 crores by transfer of property and Rs. 7·19 crores by adjustment of public dues. During the year 1957-58, it is estimated that a sum of Rs. 30 crores will be paid to about 1 lakh claimants, mostly small claimants. This sum consists of Rs. 5 crores as the value of Government built property transferred, Rs. 7 crores as loans, etc. adjusted as compensation, Rs. 12 crores as cash payments and Rs. 6 crores on account of the value of evacuee property transferred. As Government accounts are kept on cash basis, provision has been made only for the first three items under the heads B. 1(1), B. 1(2) and B. 1(3) respectively under "B. Capital Outlay on payments to displaced persons" under Demand No. 144.—Capital Outlay of the Ministry of Rehabilitation.

4. As the payments on account of compensation amount to a substantial sum, it has been decided by Government to debit these payments initially to Capital and then write them back to Revenue. A portion of the Compensation payments is met out of the sale proceeds of evacuee property which are initially taken to revenue and then transferred to Capital. Such receipts during next year are estimated at Rs. 2·5 crores.

ANNEXURE XII

Special Development Fund and other Foreign Assistance

The Special Development Fund was started in October, 1951 from the sale proceeds of American Loan Wheat and wheat obtained from Commonwealth countries under the Colombo Plan. Later on, other items relating to Colombo Plan; the assistance received under the Indo-U. S. Technical Co-operation Agreement and from Norway for the development of fisheries were also brought into the Fund. The statement below gives the details of the transactions of the Fund during the years 1951-52 to 1957-58 :—

(In lakhs of Rupees)

Sub-Major Heads	Actuals								Revised Estimates		Budget Estimates				Closing Balance
	1951-52		1952-53		1953-54		1954-55		1955-56		1956-57		1957-58		
	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1. Fund from sale proceeds of American Loan Wheat	46,73	12,70	26,59	15,18	...	20,62	17	24,74	2,10	..	...	...	...	...	2,66
2. Fund from sale proceeds of wheat received under the Colombo Plan	3,72	2,23	7.37	4.64	...	3.55	26	..	..	...	...	...	..	...	93
3. Fund from other assistance under the Colombo Plan	33	...	...	...	2.24	2.24	1,59	30	9.37	4.85	5.97	6.37	706	707	5,73
4. Fund from assistance under the Indo-U.S. Technical Co-operation Agreement	...	...	4,07	..	12.42	5.22	12.56	8.25	28,50	11.76	28,81	21,63	22,15	21,30	42,74
5. Fund from assistance from Norway for Fisheries Development	..	...	..	..	5	..	..	...	14	14	6	6	46	46	5
6. Fund from the sale proceeds of American Loan commodities	...	...	...	...	..	...	...	...	...	...	...	...	40,30	...	40,30
7. Fund from the sale proceeds of commodities received from U.S.A. under their Public Law, 480	...	...	...	...	...	...	...	...	...	..	...	...	65,00	15,00	50,00
TOTAL	50,78	14,93	38,03	19,82	16,71	31,62	14,88	33,29	40,50	16.75	34,84	28,06	1,34,97	43,83	1,42,41

*As the accounts for 1955-56 have not yet been closed finally, the figures given in columns 10 and 11 are provisional.

Fund from sale proceeds of American Loan Wheat.

The net cash realised by the sale of American Loan wheat was credited to this head. The debits represent the loans made to the State Governments, out of this Fund, for development schemes approved in the Plan.

Fund from sale proceeds of wheat received under the Colombo Plan.

A credit of Rs. 11 crores was afforded to this head on account of the sale proceeds of gift wheat received under the Colombo Plan from Canada and Australia. The fund was utilised for grant of loans to the West Bengal and Hyderabad Governments for the Mayurakshi and Tungabhadra Projects, respectively.

Fund from other assistance under Colombo Plan.

The assistance received from Commonwealth Countries under the Colombo Plan in the form of equipment, materials, etc. other than wheat is accounted for under this head. Provision has been made next year for receipt from Canada of hydroelectric equipments for Umtru and Mayurakshi Projects, industrial raw material for Copper and Wire Industry and atomic reactors at Trombay, Bombay, wagons and railcars for Indian Railways and from Australia equipments for the expansion of the All India Radio. Provision has also been made in next year's budget for receipt of equipment from New Zealand for Delhi Milk Supply Scheme.

Fund from assistance under the Indo-U.S. Technical Co-operation Agreement.

The estimated cost of the materials and equipment received under the various Agreements with the Technical Co-operation Mission are credited to this head by debit to the head '87—Capital Outlay on Schemes of Government Trading'. As soon as the materials and equipment are made over to the State Governments, either as loans or grants-in-aid, the Capital head is relieved by *per contra* debit to the final head, which is simultaneously cleared by debit to the Fund. Similarly in the case of schemes run by the Central Government the debit for the equipment etc. is adjusted against the head concerned by contra credit to the head "87", the debit being simultaneously cleared by recovery from the Fund. The repayment of loans by the States is credited directly to the Fund for subsequent utilisation on agreed development Schemes. The sale proceeds of fertilisers and steel for agricultural use are earmarked for Community Development Projects.

Fund from assistance from Norway for Fisheries Development.

This head records the assistance received from the Government of Norway for fisheries community development in Kerala. The Project is managed by the State Government and the equipment received from Norway is given to that Government as grant-in-aid.

Fund from the sale proceeds of American Loan Commodities.

The Agreement signed with the Government of U.S.A. through the Technical Co-operation Mission in March, 1955 and July, 1956 provides for the Supply of certain commodities like wheat, cotton, fertilizers, Iron & Steel, equipments for rural electrification, storage godowns, tube well casing equipments from malaria control, etc. These are paid for initially in rupees in India to the representatives of the U.S.A. Government and agreed sums are later paid back by U.S.A. Government partly as loan and partly as grant to the Government of India. The loan received from the U.S.A. Government are taken to the head "N-Public Debt—Other Debt"

whereas the grant portion is credited to Revenue. The sale proceeds of the commodities when realised are credited to the head "87". A sum equivalent to the loans and grants received is credited to the Fund by debit to the Capital major head "85-E.—Transfer of the Sale proceeds of American Loan Commodities" in respect of loan portion and to the expenditure head for the grant portion. Necessary provision has been made in the next year's budget for transfer of Rs. 40·3 crores to the special Development Fund on account of the aid to be received for the two years ending 31st March 1958.

Fund from Sale proceeds of Commodities received from U.S.A. under their Public Law, 480.

The Agricultural Commodities Agreement between the Govt. of U.S.A. and India under the Agricultural Trade Development and Assistance (Public Law 480) was signed in August, 1956. Under this agreement, certain surplus agricultural commodities like wheat, rice, cotton, tobacco, dairy products will be purchased by the Government of U.S.A. for supply to the Government of India and the rupee equivalent of the dollars thus paid by U.S.A. Government will be paid to that Government in India, a part of which will later be made available to the Government of India partly as a loan and partly as a grant for being utilised upon agreed projects or schemes. The details of the projects to be financed from these loans and grants have not yet been settled but it is expected that a sum of about Rs. 65 crores will be received next year from the Government of U.S.A. on this account. Of this Rs. 10 crores will be as a grant and the balance as a Loan, the terms of which have yet to be finalised. These receipts will also be transferred to the Special Development Fund as in the case of sale proceeds of American Loan Commodities mentioned above and necessary provision has been made in the next Budget accordingly.

The Agreement with the Government of U.S.A. provides that out of the total loan to be advanced by that Government under P.L. 480, a sum not less than $55 million will be reloaned by the Government of India to private enterprise through established banking facilities under procedure to be agreed upon between the two Governments. It has, accordingly, been decided to set up a Re-finance Corporation in collaboration with the Reserve Bank of India and other banks to which the sum of $55 million received from U.S.A. would be transferred in the form of a loan. It is estimated that during 1957-58 a sum of Rs. 15 crores would be advanced to this Corporation. Necessary provision has, accordingly, been made in the Demand "Loans and Advances by the Central Government". As the loan is to be met out of the Special Development Fund, a withdrawal of an equivalent amount from the Fund has also been assumed.

OTHER ASSISTANCE

In addition, foreign assistance is also received from the Ford Foundation for a number of minor activities in the field of Education, Public Health, Agriculture, Social uplift, etc. These transactions are not passed through the Special Development Fund. The total assistance received to the end of the current year from the Ford Foundation would amount to Rs. 2·55 crores. Budget provides for a further assistance of Rs. 7 lakhs from this source.

A further sum of Rs. 52·63 lakhs was received upto the end of 1955-56 from certain specialised agencies of the United Nations Organisation such as, United Nations Technical Assistance Administration, United Nations

International Children's Emergency Fund, Food and Agricultural Organisation etc. The Budget next year takes a credit of Rs. 12 lakhs under this head.

The total assistance received from other countries by way of loans and grants during the five years of the first Plan period amounts approximately to Rs. 161 crores. Receipts this year are expected at Rs. 65 crores and next year at about Rs. 150 crores. Total foreign assistance since 1951-52 thus aggregates to about Rs. 375 crores approximately. This does not include loans from the International Bank for Reconstruction and Development of about Rs. 30 crores of which Rs. 20 crores were received prior to 1951-52 and Rs. 17 crores on account of loss on American loan wheat from U.S.A.

ANNEXURE XIII

Foreign Loans

The details below give the progressive totals of foreign loans contracted and actually received from different sources for the purposes specified during the years 1949-50 to 1955-56 with the Revised and Budget Estimates for the current and next year.

I.—LOANS FROM THE INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT

(In lakhs of Rs.)

	Railway Loan	Agricultural Machinery Project Loan	Bokaro-Konar Loan (D.V.C.I.)	Second D.V.C. Loan
(1) Amount contracted	15,42	3,43	8,81	5 co
(2) Amounts drawn during—				
1959-50	11,14	1,38	..	.
1950-51	4,28	55	2,86	..
1951-52	..	7	87	..
1952-53	..	39	2,71	.
1953-54	..	1,04	50	..
1954-55	..	..	63	4
1955-56	..	..	27	99
1956-57 (Revised)	..	..	..	1,75
1957-58 (Budget)	..	..	..	90
TOTAL	15,42	3,43	7,84	3,68

NOTE.—Provision has been included for the repayment this year of Rs. 103·18 lakhs for the Railway Project Loan, Rs. 56·23 lakhs for the final instalment of the Agricultural Machinery Project Loan, Rs. 39·33 lakhs for the Bokaro-Konar Project Loan and Rs. 13·57 lakhs for the Second D.V.C. Loan. Budget, next year, provides Rs. 107·31 lakhs for the repayment of the Railway Project Loan, Rs. 40·95 lakhs for the Bokaro-Konar Project Loan and Rs. 14·24 lakhs for the Second D.V.C. Loan.

The balance outstanding against these loans at the end of next year would be as follows:—

	(In lakhs of Rs.)
1. Railway Loan	8,11
2. Bokaro-Konar Project Loan	6,68
3. Second D.V.C. Loan	3,41
	18,20

II.—LOANS FROM THE GOVERNMENT OF THE UNITED STATES OF AMERICA

(a) Wheat loan

	(In lakhs of Rs.)
Amount contracted	90,31
Amount drawn during :	
1951-52	59,83
1952-53	30,48
TOTAL . .	90,31

The principal portion of American wheat loan is repayable in 60 half-yearly instalments beginning from June 30, 1957. The loan bears interest at 2½ per cent per annum on the unpaid principal balance outstanding every half-year.

A provision of Rs. 107·81 lakhs has been included for repayment in the Budget, next year. The balance outstanding against this loan at the end of 1957-58 will be Rs. 89,23 lakhs.

(b) Loans for purchase of wheat, cotton, fertilisers, etc.

(i) Under the Agreement signed with the U.S.A. Government through the Technical Co-operation Mission in March, 1955, the Government of U.S.A. agreed to provide a loan of $45 million for the purchase of certain commodities like wheat, cotton, steel, fertilisers, etc. The loan will carry interest at 4 per cent per annum and the principal of the loan will be repayable semi-annually beginning from 31st March, 1959. Interest on the amount outstanding from time to time will also be paid likewise beginning from 30th September, 1958.

The Revised Estimates, 1956-57 and Budget Estimates, 1957-58 assume drawals at Rs. 16·28 crores and Rs. 4·13 crores, respectively.

(ii) A second Agreement with the Government of U.S.A. for a further sum of $37·5 million was signed in July, 1956. The loan is intended for the purchase of commodities like wheat, cotton, steel, fertilisers, etc. It carries interest at 3 per cent per annum if paid in U.S. dollars and at 4 per cent per annum if paid in Indian rupees. The principal of this loan will, however, be repayable semi-annually beginning four years after the end of the month in which the first disbursement is made under the loan agreement. The Revised Estimates, 1956-57 and the Budget Estimates, 1957-58 assume Rs. 6·02 crores and Rs. 8·9 crores, respectively as estimated drawals against the loan.

(iii) A third Agreement with the Government of U.S.A. for a loan of $40 million is under negotiation. The purpose as well as the conditions of the loan are yet to be settled though, these will be more or less on the lines agreed to in the case of (i) and (ii) above. Rs. 5 crores, it is estimated, will be drawn against this loan during 1957-58.

(c) **Loan under P.L. 480.**

The Agricultural Commodities Agreement between the Governments of U.S.A. and India under the Agricultural Trade Development and Assistance Act (P.L. 480) was signed in August, 1956. Under this Agreement, the U.S.A. Government has undertaken to finance the sale to the Government of India of certain surplus agricultural commodities like wheat, rice, cotton, tobacco, etc. The Agreement also provides that India will credit U.S. Government Account in India with the rupee equivalent of the dollars paid for the purchase of the aforesaid commodities in the U.S.A. from time to time. The major portion of the rupees so credited will be subsequently made available to India either as "loan" or as "grant" for economic development in the country.

A sum of Rs. 65 crores is expected to be received from the Government of U.S.A. during the year 1957-58. Of this, a sum of Rs. 55 crores is estimated to be advanced on loan account and the balance (Rs. 10 crores) as grant. The loan agreement has, however, not yet been finalised.

III.—LOAN FROM THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS

Loan for the Bhilai Steel Project

An Agreement was signed in February, 1955 with the Government of U.S.S.R. for the supply of plant, machinery, equipment, etc. worth about Rs. 63 crores, approximately, on credit for the Bhilai Steel Project. The Agreement provides that credit afforded for each consignment shall be repaid in twelve equal instalments with interest at 2½ per cent per annum. The Revised Estimates, 1956-57 include Rs. 7·45 crores as the anticipated cost of equipment, etc. to be received from the Government of U.S.S.R. and Rs. 0·62 crores towards repayment of its first instalment. The Budget Estimates for 1957-58 assume Rs. 36 crores and Rs. 3·57 crores, respectively for the same purpose.

ANNEXURE XIV

Investments made by Central Government in Industrial Undertakings.

(In lakhs or Rupees)

Name of the concern or undertaking	Percentage of Government Share	Investment upto 1950-51	Investment during First Plan period 1951-52 to 1955-56	Revised Estimate, 1956-57	Budget Estimate, 1957-58	Total
Ministry of Commerce and Industry						
1. Institute of small Scale Industries. . .	..	..	..	25	85	1,10
2. Investments in State Trading Corporation	100%	..	..	100	..	1,00
3. National Small Industries Corporation .	100%	..	10	10	..	20
4. Orissa Mining Corporation . . .	50%	..	..	3	22	25
5. National Industrial Development Corporation	100%	..	10	..	..	10
6. Civil Explosives Factory . . .	20%	..	10	20	10	40
7. Diesel Engine Factory	..	..	..	..	*	..
8. Heavy Electricals (Private), Ltd. . .	100%	..	..	24	1,00	1,24
9. Hindustan Antibiotics (Private), Ltd. .	100%	3	1,86	50	50	2,89
10. Hindustan Insecticides (Private), Ltd.. .	100%	..	38	24	28	90
11. Hindustan Machine Tools (Private), Ltd. .	100%	14	3,46	45	..	4,05
12. National Instruments, Factory . . .	..	4	1,02	28	20	1,54
13. Nangal Fertilizers (Private), Ltd. . .	100%	..	..	1,79	2,00	3,79
14. Salt Works . .	100%	..	25	20	40	85
15. Sindri Fertilizers and Chemicals (Private), Ltd. . . .	100%	15	9,03	..	..	9.18
16. Additional Fertilizers Factory . . .	..	..	..	5	..	5

*Provision is less than lakh.

(In lakhs of Rupees)

Name of the concern or undertaking	Percentage of Government Share	Investment upto 1950-51	Investment during First Plan period 1951-52 to 1955-56	Revised Estimate, 1956-57	Budget Estimate, 1957-58	Total
17. Heavy Electricals Equipment Factory . .	..	..	..	4	..	4
18. Hindustan Cables, (Private), Ltd. . .	100%	..	1,25	..	..	1,25
Ministry of Education and Scientific Research						
National Research Development Corporation	100%	..	10	..	..	10
Ministry of Finance						
1. International Finance Corporation . .	..	..	..	2,12	..	2,12
2. Life Insurance Corporation . . .	100%	..	..	5,00	..	5,00
3. State Financial Corporation for Punjab and Delhi	..	..	..	..	16	16
4. Tripura State Bank, Ltd.	..	..	2	..	..	2
Ministry of Food and Agriculture						
1. Vindhya Pradesh Co-operative Bank . .	..	..	1	..	..	1
2. Himachal Pradesh Co-operative Bank . .	..	..	1	..	..	1
Ministry of Health						
Plant and Equipment for Dry freeze vaccine Laboratory, Guindy	100%	..	..	1	2	3
Ministry of Irrigation and Power						
National Projects Construction Corporation .	100%	..	..	5	10	15
Ministry of Rehabilitation						
1. Rehabilitation Housing Corporation Ltd., Delhi . . .	80%	3	17	..	..	20
2. Sindhu Resettlement Corporation . .	..	..	25	..	..	25

(In lakhs of Rupees)

Name of the concern or undertaking	Percentage of Government Share	Investment upto 1950-51	Investment during First Plan period 1951-52 to 1955-56	Revised Estimate, 1956-57	Budget Estimate, 1957-58	Total
Ministry of Steel, Mines and Fuel,						
1. Bhilai Steel Plant .	100%	..	1,23	14,00	63,33	78,56
2. Durgapur Steel Project	100%	..	8	12,00	33,50	45,58
3. Hindustan Steel, Ltd.	80%	..	4	9,00	60,00	69,04
4 Coal Washeries Project	100%	..	..	..	1,00	1,00
5. Indo Stanvac Petroleum Project . .	25%	..	64	..	41	1,05
6. Rupee Company, in partnership with Assam Oil Company . .	..	..	..	..	50	50
7. National Coal Development Corporation (Private), Ltd. . .	100%	..	..	10,24	..	10,24
8. Neyveli Lignite Corporation (Private), Ltd.	100%	..	..	4,24	4,00	8,24
9. Establishment of Synthetic Oil Plant .	..	..	..	2	..	2
Ministry of Transport and Communications						
1. Eastern Shipping Corporation . . .	74%	1,48	2,59	74	1,20	6,01
2. Western Shipping Corporation . . .	100%	..	..	3,50	2,00	5,50
3. Air Corporations .	100%	..	15,42	5,63	6,65	27,70
4. Deccan Airways, Ltd.	68%	..	16	..	..	16
5. Indian Telephone Industries . . .	89·7%	1,19	2,40	..	..	3,59
6. Hindustan Ship Yards	66⅔%	..	6,00	76	30	7,06
7. Establishment of Second Shipyard . .	..	..	..	2	3	5
Ministry of Works Housing and Supply						
1. Hindustan Housing Factory (Private), Ltd.	100%	..	2	..	1	3
2. Ashoka Hotels (Private), Ltd. . . .	84%	..	26	58	..	84

(In lakhs of Rupees)

Name of the concern or undertaking	Percentage of Government Share	Investment upto 1950-51	Investment during First Plan period 1951-52 to 1955-56	Revised Estimate, 1956-57	Budget Estimate, 1957-58	Total
Department of Atomic Energy						
1. Atomic Energy Establishments . . .	100%	..	..	25	52	77
2. Messrs. Indian Rare Earths Ltd. . .	55%	28	16	11	1	56
3. N. R. X. Reactor .	..	..	..	1,50	1,65	3,15
4. Pilot Plant at Ghatsila	..	..	3	1	1	5
5. Swimming Pool Reactor	..	..	..	11	1	12
6. Thorium Uranium Plant . . .	100%	..	58	3	..	61
7. Travancore Minerals (Private), Ltd.. .	50%	..	..	25	1	26
8. Uranium Metal Processing Plant . .	..	..	..	7	15	22
9. Zerlinae Reactor .	..	..	..	60	40	1,00
TOTAL .	..	3,34	47,72	76,21	1,81,52	3,08,79

ANNEXURE XV

Public Borrowings in India

The statement below compares the receipts on account of Rupee Loans, floated and discharged, during the 5 years ending 1956-57 as compared with the figures assumed in the respective Budget Estimates:—

(In lakhs of Rs.)

	1952-53		1953-54		1954-55		1955-56		1956-57	
	Floated	Dis-charged	Floated	Dis-charged	Floated	Dis-charged	Floated	Dis-charged	Floated	Dis-charged
Rupee Loans—										
Budget Estimates	25,00	1,45	1,00,00	1,16,70	75,00	49,76	1,25,76	69,85	1,00,60	68
Actuals .	7	97	75,30	1,12,51	1,58,65	46,15	1,04,13	69,08	1,58,20*	80,12*

*Revised Estimates.

The net realisations during the 5 years ending 1956-57, would amount to Rs. 187·52 crores. In addition, a net sum of Rs. 54·30 crores was realised during the same period on the sale of Securities held in Government account. The total net credit on account of loans from the public thus amounts to Rs. 241·82 crores during the 5 years ending 1956-57.

ANNEXURE XVI

UNFUNDED DEBT

The statement below gives the credits and debits, during the years 1952-53 to 1956-57, under the head 'Unfunded Debt':—

(In lakhs of Rs.)

	Credit	Debit	Net credit
Budget, 1952-53	1,70,92	1,19,58	51,34
Actuals, 1952-53	1,72,18	1,23,44	48,74
Budget, 1953-54	1,80,92	1,25,25	55,67
Actuals, 1953-54	1,85,42	1,32,47	52,95
Budget, 1954-55	1,89,99	1,29,37	60,62
Actuals, 1954-55	2,14,59	1,44,10	70,49
Budget, 1955-56	2,16,41	1,47,81	68,60
Actuals, 1955-56	2,40,73	1,57,74	82,99
Budget, 1956-57	2,57,84	1,68,66	89,18
Revised, 1956-57	2,68,70	1,85,94	82,76

The total net realisations on account of State Provident Funds, Post Office Savings Bank Deposits, National Savings Certificates and other items falling under the head "Unfunded Debt" during the 5 years ending March, 1957 would amount to Rs. 337·93 crores.

ANNEXURE

@ SUMMARY OF

(In crores of Rupees)

RECEIPTS	Accounts, 1951-52	Accounts, 1952-53	Accounts, 1953-54	Accounts, 1954-55	Accounts, 1955-56	Revised, 1956-57	Budget, 1957-58
1. Revenue Surplus .	1,28·09	38·93	8·50	33·51	40·45	37·94	35·74
2. Rupee Loans raised .	50·37	·07	75·30	1,58·10	1,03·68	1,57·73	1,00·00
3. Net sales from Cash Balance Investment Account .	..	..	46·21	3·14	20·46	·10	..
4. Other Loans raised .	60·93	33·58	1·53	1·23	3·12	31·97	1,10·73
5. Small Savings (Net)	38·47	40·15	37·81	54·61	66·10	64·60	79·30
6. Repayment of Loans by—							
(a) States .	12·22	13·80	13·21	17·47	25·22	35·38	44·12
(b) Others .	1·70	3·16	5·69	6·48	8·10	11·33	11·80
7. Railway Funds—							
(a) Depreciation Reserve .	33·79	34·43	33·98	33·72	48·68	48·09	49·06
(b) Revenue Reserve	19·12	2·26	1·13	1·19	8·51	1·52	1·62
(c) Development .	10·65	12·76	3·30	9·70	7·57	27·49	31·51
8. Treasury Bills (Net)	..	·96	19·66	1,36.92	1,23·38	2,70·00	2,75·00
9. Other debt heads (Net)	35·07	..	22·78	37·08	46·78	1,27.72	2,23·89
10. Opening Balance .	1,61·78	1,62·68	99·14	37·49	32·23	(—)4·26	50·12
TOTAL .	5,52·19	3,42·78	3,68·24	5,30·64	5,34·28	8,09·61	10,12·89

@Figures are 'net'.

*For the reasons explained in para. 66 of the Budget Speech, this figure is less by Rs. 15

XVII

WAYS AND MEANS BUDGET

(In crores of Rupees)

DISBURSEMENTS	Accounts, 1951-52	Accounts, 1952-53	Accounts, 1953-54	Accounts, 1954-55	Accounts, 1955-56	Revised, 1956-57	Budget, 1957-58
1. Revenue Deficit .	..	..	..	..	..	..	..
2. Capital Expenditure—							
(a) Defence .	10·17	5·96	10·16	8·47	17·59	21·36	23·55
(b) Railways .	23·21	7·05	11·85	32·25	67·52	1,03·81	1,24·17
(c) Others . .	84·80	26·11	2·17	1,26·69	42·25	1,88·51	4,02·85
3. Loans by Central Government—							
(a) to States. .	60·77	91·97	1,24·03	1,93·27	2,48·87	2,32·76	2,38·37*
(b) to others .	13·31	10·38	19·33	29·70	32·01	63·98	67·20
4. Discharge of debt .	87·94	5·89	1,15·38	49·43	72·29	83·81	38·74
5. Net purchase in Cash Balance investment Account . .	22·23	15·60	..	..	..	..	..
6. Drawal from Railway Funds—							
(a) Depreciation Reserve .	35·87	40·89	38·02	45·82	45·89	45·72	49·73
(b) Revenue Reserve	(—)·18	(—)·04	..	..	(—)·02	·08	(—)·14
(c) Development .	7·70	9·10	9·81	12·78	12·14	19.46	32·37
7. Treasury Bills (Net)	43·69	..	..	..	..	..	..
8. Other debt heads (Net)	..	31·73	..	..	..	..	..
9. Closing Balance .	1,62·68	99·14	37·49	32·23	(—)4·26	50·12	41·05
TOTAL . .	5,52·19	3,42·78	3,68·24	5,30·64	5,34·28	8,09·61	10,12·89

crores than the net amount appearing in the Demand for "Loans and Advances by the Central Government" for Loans to State Govts.

APPENDIX TO
SECTION III

APPENDIX EI

BALANCE SHEET OF CENTRAL TRACTOR ORGANISATION

For the year 1954-55

Liabilities				Assets			
Particulars	As on 31-3-55	As on 31-3-55	As on 31-3-54	Particulars	As on 31-3-55	As on 31-3-55	As on 31-3-54
1	2	3	4	5	6	7	8
	Rs.	Rs.	Rs.		Rs.		Rs.
I. GOVERNMENT CAPITAL OUTLAY SCHEMES.				I. CAPITAL ASSETS ACCOUNTS.			
As on 1-4-54	5,64,25,181			Buildings	2,53,37,286		3,05,38,997
				Plant & Machinery			
Add withdrawals during the year	1,69,31,414			Tractors			
				Agri. Implements			
	7,33,56,595			Land Clearing			
				Equipments			
				Vehicle & Trucks			
Less remittance into treasury during the year	2,09,80,438			Cranes			
Add imprest	4,000			Miscellaneous			
	5,23,80,157	5,23,80,157	5,64,29,181	II. LAND RECLAMATION SCHEME.			
II. SUNDRY CREDITORS.				Preliminary expense opening balances.			
1. Balance payment due on machinery received & taken on charge	10,83,336			Add expense during the year			
				Less amount charged of	..		
2. C. P. W. D. for construction of old buildings	3,75,000			III. CAPITALISED COST OF REHABILITATION OF OLD TRACTORS EQUIPMENT.			
3. Balance payment due on spares, stores, tools, POL received & taken on charge	23,53,795			Opening balance as on 1-4-54	3,13,478		
				Add exp. during the year	250		
					3,13,728		

APPENDIX EI—*contd.*

1	2	3	4	5	6	7	8
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
4. Payment due to State Govt. of stores & POL taken over Maikala . .	12,261 8,366			Less amount charged off to Operation. Less amount written off from profits from sale of old tractors .	33,620	2,80,10	3,13,478
5. Payment due on petrol oil & lubricants consumed in units	18,88,130				2,80,108		
6. Outstanding Rly. freight charges on machinery & stores received & taken on charge	7,30,878			IV. DEFICIENCIES IN THE COST OF OPERATIONS OF PREVIOUS YEARS.			
7. Accrued pay and allowances not drawn during the year for the month of March of the current year to be paid in April next year	3,99,565			(i) Losses on operation of old units as on 1-4-54 . (ii) Losses on operation of new units as on 1-4-54 . (iii) Less amount charged to repair & renewal reserve .	14,72,[illegible]21 [illegible]5,23,826 31,72,879		
8. Undisbursed pay and allowances	21,966			(iv) Surplus on account of new units as on 31-3-55 .	—6,49,033		
9. Undisbursed suppliers bills	29,183			(v) Net loss on account of old & new units . .	8,23,468	8,23,468	39,96,347
10. Receipts to be deposited into treasury . . .	2,258			V. MACHINERY & STORES IN TRANSIT.			
11. Commitment commission & interest on dollar loan accrued but not paid	" 18,60,922			1. Dollar, Sterling, Rupees, payments adjusted in accounts which have been kept pending for linking with assets received.			
12. Provision for payment of audit charges and pensionary charges during the year	..			Machinery . . . . Stores . . . . 2. Stores in transit between Bhopal & Delhi . .	7,776 1,66,778 3,68,604		
13. Interest on capital outlay other than from dollar loan, for the period prior to 1952-53 accounted in proforma accounts .	16,35,834			3. Unallocated custom duty, transportation chagres & Port Trust charges carried			

Item	Details	Amount	Amount
14. Forwarding charges payable on machinery received and brought on charge .			
Customs . .	3,99,406		
Clearing . .	1,888		
15. Payments due to			
(i) Matsya Union . .	5,386		
(ii) East Punjab . .	12,503		
	1,08,26,677	1,08,26,677	1,51,65,482
III. RESERVES.			
1. Provision created for meeting the increased cost of amortisation of capital assets on account of devaluation . . .	12,38,025		
2. Renewal reserves created for meeting the cost of major over haul of tractors and equipment of new units.	1,09,60.697		
3. Value of stores priced during the year & found surplus on stock verification .	9,61,716		
4. Price reduction obtained from Displs. Deptt. .	2,09,717	1,33,70,155	1,55,95,603
V. PROFITS ON SALE OF CAPITAL EQUIPMENTS			
Profits on sale of.			
1. Old equipment upto 53-54	8,63,736		
Add profits during the year	93,471		
	9,57,207		

Item	Details	Amount	Amount
forward.			
Custom .	2,707		
Clearing . . .	408		
Transportation . . .	13,581	5,59,854	12,68,455
VI. STORES ACCOUNTS			
1. Closing balance of stores as on 31-3-55 at CSD Delhi	60,13,604		
2. Closing balance of stores as on 31-3-55 at CSD Bairagarh . . .	67,14,239		
3. Closing balance of stores as on 31-3-55 at Operation units	21,23.687		
4. Closing balance on POL as on 31-3-55 at operation units	10,93,765	1,59,45,295	1,61,21,632
VII. WORK IN PROGRESS ACCOUNT.			
Workshop Delhi . .	2,72,065		
Vehicle section Delhi . .	19,779		
Workshop B'garh . .	1,28,994		
Vehicle Sec. Bairagarh .	5,116		
	4,25,954	4,25,954	3,10,511
VIII. SUNDRY DEBTORS.			
Being the amount of recovery outstanding from the State Govt.	2,90,71,092		

APPENDIX LI—*concld.*

1	2	3	4	5	6	7	
	Rs.	Rs.	Rs.		Rs.	Rs.	
2. Profits on sale of new equipments upto 1953-54	1,68,802						
Add profits during the year	15,178						
	1,83,980	11,41,187	10,32,538	1. For Reclamation work done for them. 2. For sale of capital equipment. 3. For sale of stores & spares. 4. Miscellaneous. 5. Expenditure in Rehabilitation of Pasha Bhai Impl.	[illegible],076		
				6. Recoveries due from G. M. F.	15,57,695	3,07,11,863	3,24,66,158
				IX. CASH IN HAND ON 31-3-55 INCLUDING IMPREST.	56,467	56,467	27,[illegible]23
				X. SUSPENSE ACCOUNT.			
				1. Interest chargeable to State Govt. due to staggared recoveries.	32,83,338		
				2. Amount advanced to U. P. Govt. for construction of buildings for C.T.O's staff at Ruderpur	2,16,543	35,77,881	31,81,203
				3. Deffered transportation charge.	75,000		
					35,77,881		
		7,77,18,176	8,82,23,804			7,77,18,176	8,82,23,804

K. R. KUPPUSWAMY,
Cost Accounts Officer,
C.T.O.

M. L. SINHA,
Chief Accounts Officer,
C.T.O.

J. S. MATHUR,
Resident Audit Officer,
C.T.O.

Trading and Profit and Loss Account of the Central Fertilisers Pool for the year 1955-56

Debits | | | | | Credits

1954-55	Particulars	1955-56	1954-55	Particulars	1955-56
(Rs.)		(Rs.)	(Rs.)		(Rs.)
14,98,710	To Opening Stock	37,57,783	14,73,79,013	By sales	17,55,16,656
14,83,62,140	" Purchases	16,82,36,342	2,05,408	" Sales of Bye-product Sulphate of Ammonia.	..
..	" Railway Freight (Sindri) . .	74,45,391 }	3,65,694	" Difference in Price recovered from Sindri Factory in respect of sales to Private Parties }	8,89,780
25,01,762	" Railway Freight (Other) . .	41,62,082 }			
2,75,730	" Direct Charges	20,05,145	37,57,783	" Closing Stock . . .	1,10,49,423
..	" Gross profit carried down . .	18,49,116	9,30,444	" Gross Loss carried down . .	..
15,26,38,342		18,74,55,859	15,26,38,342		18,74,55,859
9,30,333	To Gross Loss brought down . .	..	..	By Gross Profit brought down .	18,49,116
1,320	" Miscellaneous Expenses . .	24,591	14,433	" Distribution commission remitted by I. C. I. Ltd.	..
1,82,486	" Indirect charges	2,18,506	83	" Miscellaneous Receipts Refund of port trust charges of the previous years.	..
..	" Interest on Capital . . .	5,52,262			
4,22,531	" Subsidy on Sulphate of Ammonia	9,61,972	..	" Miscellaneous Receipts (Nitrogenous.)	8,02,986
30,39,523	" Rebate paid on old stock as on 1-1-53.	19,320	921	" Miscellaneous Receipts (Phosphatic.)	534
..	" Net Profit carried over to Capital	8,75,985	13,395	" Interest for Advance . . .	..
			45,47,472	" Net Loss carried over to Capital .	..
45,76,304	TOTAL .	26,52,636	45,76,304	TOTAL .	26,52,636

SD./- K. K. NARAYANAN,
Accounts Officer.
26-11-56.

Sd./- R. VARADARAJAN,
Under Secy., to the Government of India.
26-11-56.

391 M. of F.—21.

Balance Sheet of the Central Fertilisers Pool as on 31-3-56.

1954-55	Liabilities	1955-56	1954-55	Assets	1955-56
Rs.		Rs.	Rs.		Rs.
5,07,34,863	Sundry Creditors	2,20,25,399	65,000	Security Deposits (In treasury) .	45,000
3,32,354	Suspense Account	879	19,75,991	Advance to M/s. Sindri Fert. & Chemicals (P) Ltd.	67,88,001
65,000	Security Deposits (Sundry Creditors) .	45,000	28,40,271	Advance to M/s. East Asiatic Co. Ltd.	..
14,87,577	Reserve Account	1,03,830	3,43,22,487	Sundry Debtors . . .	4,89,86,087
			26,78,951	Closing Stock on 31-3-56 . .	
(+)5,26,19,794		(+)2,21,75,108		1,10,49,423	
				Less Reserve for shortages 4,91,918	*1,05,57,505
	Capital Account				
(—)70,34,771	Government Capital as per last balance sheet.	(—)1,07,37,094			
(+)13,01,70,357	*Add* Withdrawals during the year .	(+)22,51,07,990			
(+)12,31,35,586		(+)21,43,70,896			
	Deduct Remittances during the year.				
(—)12,93,35,545		(—)17,15,23,713			
(—)61,99,959		(+)4,28,47,183			
(+)10,337	*Add* Adjustments during the year .	(+)4,78,317			
(—)61,89,622		(+)4,33,25,500			
..	*Add* Net Profit during the year .	(+)8,75,985			
(—)45,47,472	*Deduct* Net Loss during the year .	..			
(—)1,07,37,094		(+)4,42,01,485			
4,18,82,700	TOTAL	6,63,76,593	4,18,82,700	TOTAL .	6,63,76,593

*The closing stock has been valued at landed cost.

I certify that I have obtained all the information and explanation that are required and that subject to the remarks on the report, the Balance Sheet exhibits, in my opinion the true position of the Scheme of Government.

Trading of Chemical Fertilisers according to the best of my information and explanation given to me and as shown in the books maintained by Ministry of Food and Agriculture, New Delhi.

Sd./- K. K. NARAYANAN,
Accounts Officer.
26-11-56.

Sd./- R. VARADARAJAN,
Under Secy., to the Govt. of India.
26-11-56.

Sd./- R. L. KAPILA,
Assistant Audit Officer.
27-11-56.

RECLAMATION OPERATION ACCOUNTS

EXPENDITURE

	Particulars	Amount 1954-55	Amount 1953-54
I.	Salaries and Allowances for the Op. Staff in the units	Rs. 28,38,220	Rs. 28,42,463
II.	Cost of Petrol, oil etc. consumed . .	31,79,781	44,10,826
III.	Contingent expenditure incurred in units .	2,52,141	2,48,727
IV.	Transport charges incurred for the Op. Units	2,63,189	3,87,738
V.	Depreciation on Machinery rendered and Equipments in units . . .	46,44,261	61,00,535
VI.	Cost of maintenance Services rendered by Base Workshop	..	..
VII.	Provision created for major repair and overhaul	45,17,201	57,56,765
VIII.	Amount of Preliminary Expenditure charged to cost of Opns, ...	..	2,40,741
IX.	Amount of Rehabilitation charges in old tractors and Equipments . . .	..	3,50,000
X.	Interest on capital charges to cost of opns. during the year	9,79,560	9,31,855
XI.	Audit and Pensionary charges . . .	80,840	69,416
XII.	Direction charges	5,64,438	6,27,754
XIII.	Deficiency in the workshops stores, vehicles, Chairman's Office charged to cost of Opns.	1,11,609	17,951
XIV	Surplus	..	18,43,952
	TOTAL .	1,74,31,240	2,38,28,833

	1954-55
Expenditure	1,74,31,240
Total hours worked . .	3,66,040
Cost per hour . . .	47·52
Total hours ploughed . .	2,47,729
Total acreage ploughed . .	2,16,563
Cost per acre	54·74
Output	·87

FOR THE YEAR 1954-55

RECOVERIES

Particulars	Amount 1954-55	Amount 1953-54
	Rs.	Rs.
I. Recoveries at Scheduled rates for cost of operation carried during the year .	1,57,62,730	2,37,44,956
II. Recoveries due from G.M.F. Funds .	15,57,695	..
III. Miscellaneous recoveries for the work undertaken in the units . . .	1,10,815	83,877
	1,74,31,240	2,38,28,833

1953-54

2,19,84,881
4,80,216
45·78
3,03,264
2,76,007
50·3
·91

THE NATIONAL SMALL INDUSTRIES

Balance Sheet

Liabilities		Corporation	Marketing	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
SHARE CAPITAL				
AUTHORISED CAPITAL 10,000 shares of Rs. 100 each .		10,00,000 0 0		10,00,000 0 0
ISSUED SUBSCRIBED AND PAID UP CAPITAL				
2,000 shares of Rs. 100 each .		2,00,000 0 0		2,00,000 0 0
SHARE CAPITAL CALL MONEY .		8,00,000 0 0		8,00,000 0 0
REPLACEMENT RESERVE For Marketing assets as per contra .			1,25,549 0 0	1,25,549 0 0
SURPLUS-MARKETING A/C.				
Grant-in-aid .	1,62,000 0 0			
Less reserve as above	1,25,549 0 0			
	36,451 0 0			
Less Net loss as per profit and Loss A/C	17,316 7 9		19,134 8 3	19,134 8 3
SURPLUS CORPORATION A/C.				
Net balance as per Income and Expenditure a/c .		10,558 12 9		10,558 12 9
ADVANCES RECEIVED AGAINST MACHINES, As per list .		37,628 8 0		37,628 8 0
CURRENT LIABILITIES.				
For supplies .	1,15,976 10 5			
For salaries .	6,279 5 0			
For expenses .	12,999 15 6			
For Industrial Estate	99,714 5 0	2,34,970 3 9		2,34,970 3 9
		Carried over Total		14,27,841 0 9

CORPORATION (Private) LTD., NEW DELHI.

as at 31st March, 1956.

Assets				Corporation			Marketing			Total		
	Rs.	as.	p.	Rs.	as.	p.	Rs.	as.	p.	Rs.	as.	p.
FURNITURE AND FITTINGS (at cost)	7,755	7	6									
Less depreciation written off .	32	8	0	7,722	15	6	706	14	6	8,429	14	0
TYPEWRITERS (AT COST) .	12,329	9	6									
Less depreciation written off .	638	14	0	11,690	11	6				11,690	11	6
STAFF CARS (at cost)				13,796	14	0	13,796	14	6	27,593	12	6
SALES VANS (at cost)							1,11,045	3	0	1,11,045	3	0
CYCLES (at cost) .	432	14	0									
Less depreciation written off .	9	5	0	423	9	0				423	9	0
JEEP CAR (at cost)				11,931	9	0				11,931	9	0
STOCK-IN-TRADE AS ON 31-3-56 (at cost) as per inventory certified and valued by Manager (Marketing)							13,194	11	3	13,194	11	3
WORK-IN-PROGRESS INDUSTRIAL ESTATE AT OKHLA				99,714	5	0				99,714	5	0
SUNDRY DEBTORS							15	6	6	15	6	6
ADVANCES												
For machines .	45,232	0	0									
For expenses .	1,293	13	9	46,525	13	9				46,525	13	9
Carried over Total .										3,30,564	15	6

THE NATIONAL SMALL INDUSTRIES

Liabilities	Corporation	Marketing	Total		
			Rs.	A.	P.
Brought forward .			14,27,841	0	9
		TOTAL .	14,27,841	0	9

Sd. RAJKUMAR, *Accountant.* Sd. S. K. CHAKRABORTY, *Finance Officer.* Sd. BALDEV SINGH, *D. O. (Marketing)*

CORPORATION (Private) LTD., NEW DELHI.

Assets	Rs. A. P.	Corporation Rs. A. P.	Marketing Rs. A. P.	Total Rs. A. P.
Brought forward .				3,30,564 15 6
CASH AND BANK BALANCES				
With State Bank of India New Delhi in current account No. I	94,972 9 6			
In current account No. II .	67,903 10 6			
With Bank of Baroda Ltd., New Delhi in current account .	5,020 0 0			
With Punjab National Bank, Ltd., Regal Buildings, New Delhi in current account.	999 1 0			
Cash in hand .	5,859 7 0			
Cheques in hand .	8,69,694 0 0			
Postage imprest .	20 0 0	10,44,468 12 0		10,44,468 12 0
EXHIBITION ACCOUNT				
Balance as per income and Expenditure a/c				51,447 4 3
PREPAID EXPENSES		307 3 0	1,052 14 0	1,360 1 0
			TOTAL .	14,27,841 0 9

Sd. P. C. BASU,
Manager.

Sd. P. GOVIND NAIR.

Sd. PUPUL JAYAKAR.

As per our report of even date.

Sd. P. C. ALEXANDER.

Sd. B. S. BHATNAGAR.

Sd. V. SAHAI & CO.
Chartered Accountant.

Sd. A. S. E. IYER.

THE NATIONAL SMALL INDUSTRIES CORPORATION

INCOME AND EXPENDITURE ACCOUNT

	Rs. A. P.	Rs. A. P.
To Salaries and allowances of the Manager who was a Director	12,219 6 0	
To House Rent	1,377 9 3	..
To Travelling expenses	856 6 0	14,453 5 3
To Salaries and Allowances	..	43,186 13 3
To Office Rent	..	5,354 7 3
To Stationery and Printing	..	6,795 1 3
To Travelling Expenses	..	1,183 14 0
To Telephone and Trunk calls	..	2,243 2 0
To Advertisement	..	2,722 6 0
To Subscription	..	250 0 0
To Electricity and water Charges	..	530 5 0
To Liveries	..	294 8 6
To Postage and Telegram	..	492 2 0
To Conveyance	..	230 14 6
To Audit Fee	..	250 0 0
To Insurance	..	27 15 0
To Cooliage and Cartage	..	40 2 0
To Books and Periodicals	..	303 1 0
To Jeep expenses	.	80 2 0
To Staff Car expenses		600 12 9
To Licence fee	..	2 9 0
To Cycle repairs	..	1 5 0
To Miscellaneous expenses	..	808 10 0
To Depreciation written off	32 8 0	..
To Furniture and Fittings Cycles.	9 5 0	..
Typewriters	638 14 0	680 11 0
To Balance transferred to Balance Sheet	..	10,558 12 9
TOTAL		91,091 0 0

(PRIVATE) LTD., NEW DELHI
FOR THE PERIOD ENDED 31st MARCH, 1956

	Rs.	a.	p.
By Grant-in-Aid	91,000	0	0
By Miscellaneous Receipts	91	0	0
TOTAL . .	91,091	0	0

Sd. RAJ KUMAR, *Accountant.*

Sd. S. K. CHAKRABORTY, *Finance Officer.*

Sd. P. C. BASU, *Manager.*

Sd. P. GOVINDAN NAIR.
Sd. PUPUL JAYAKAR
Sd. P. C. ALEXANDER.
Sd. B. S. BHATNAGAR.
Sd. A. S. E. IYER.

Under reference to our report of even date.

Sd. V. SAHAI & CO.,
Chartered Accountants.

MARKETING SALES VAN

Trading and Profit and Loss

	Rs.	a.	p.	Rs.	a.	p
To opening Stock				Nil.		
To purchases				21,510	1	6
To Gross Profit Carried down				1,924	5	9
				23,434	7	3
To Salaries and allowances of the Manager who was a Director	1,745	10	0			
To House Rent	196	12	9			
To Travelling expenses	58	3	0	2,000	9	9
To Salaries and allowances				10,242	8	9
To Printing and Stationery				1,039	7	3
To sales Van expenses				2,387	15	0
To U. P. Govt. Van Expenses				750	11	6
To Insurance				679	5	0
To Office Rent.				764	14	9
To Staff Car expenses				330	13	3
To Liveries				42	1	0
To Miscellaneous expenses				220	6	3
To Electricity and Water charges				75	12	0
To Postage and Telegrams				70	5	0
To Audit Fee				200	0	0
To Travelling expenses				397	1	0
To Conveyance				38	15	0
TOTAL .				19,240	13	6

Sd. RAJ KUMAR, *Accountant.* Sd. S. K. CHAKRABORTY, *Finance Officer.* Sd. BALDEV SINGH, *D. O. (Marketing).*

OPERATION ACCOUNT

Account for the period ended 31st March, 1956.

	Rs.	a.	p.
By Sales	10,239	12	0
By Stock-in-Trade	13,194	11	3
	23,434	7	3
By Gross Profit brought down	1,924	5	9
By Net loss carried to the Balance Sheet . . .	17,316	7	9
TOTAL . .	19,240	13	6

Sd. P. C. BASU,
Manager.

Under reference to our report of even date.

Sd. V. SAHAI & CO.
Chartered Accountant.

Sd. P. GOVINDAN NAIR
Sd. PUPUL JAYAKAR.
Sd. P. C. ALEXANDER.
Sd. B. S. BHATNAGAR.
Sd. A. S. E. IYER.

THE NATIONAL SMALL INDUSTRIES EXHIBITION

Income and Expenditure Account

	Rs.	a.	p.
To Stall Building	1,32,899	0	9
To Design and Decoration of the Stall	51,046	12	0
To Rent of the Stall Space	25,000	0	0
To Salaries and Wages, etc.	16,855	2	6
To Electricity charges, etc.	13,063	0	0
To Printing and Stationery	8,525	8	3
To Railway Freight	4,718	7	9
To Insurance	3,316	1	0
To Fee for the Bangle demonstration	2,700	0	0
To Miscellaneous expenses	1,769	13	3
To Cooliage and Cartage	1,451	10	6
To Architect's Fee	664	8	0
To Furniture and Fittings	625	15	9
To Travelling expenses	508	8	6
To Stores consumed	470	12	3
To Claims against Losses	381	13	6
To Telephone and Trunk Calls	366	11	0
To Conveyance	360	6	3
To Postage and Telegrams	323	1	0
To Audit Fee	200	0	0
TOTAL	2,65,247	4	3

Sd. RAJKUMAR, *Accountant.* Sd. S. K. CHAKRABORTY, *Finance Officer.* Sd. BALDEV SINGH, *D.O. (Exhibition.).*

CORPORATION (PRIVATE) LTD., NEW DELHI.

ACCOUNT

for the period ended 31st March, 1956.

	Rs.	A.	P.
By Grant-in-Aid	2,00,000	0	0
By Salvage Value of the Staff	13,800	0	0
By Balance being the excess of expenditure over income carried to the Balance Sheet (Recoverable from the Government of India)	51,447	4	3
TOTAL	2,65,247	4	3

Sd. P. C. BASU,
Manager.

Under reference to our report of even date.

Sd. V. SAHAI & CO.,
Chartered Accountants.

Sd. P. GOVINDAN NAIR.
Sd. PUPUL JAYAKAR.
Sd. P. C. ALEXANDER.
Sd. B. S. BHATNAGAR.
Sd. A. S. E. IYER.

INDIAN TELEPHONE INDUSTRIES

BALANCE SHEET AS

CAPITAL AND LIABILITIES

1954-55 Rupees				1955-56 Rupees	
		SHARE CAPITAL			
4,00,00,000		AUTHORISED:			4,00,00,000
		4,00,000 Ordinary Shares of Rs. 100/- each . .			
4,00,00,000		SUBSCRIBED: 4,00,000 Ordinary shares of Rs. 100/- each called and paid up. Of the above Shares, 66,254 Shares are allotted as fully paid persuant to a contract without payments being received in cash . . .			4,00,00,000
		RESERVES AND SURPLUS			
103		CAPITAL RESERVE:			
		As per Last Balance Sheet	..	103	
		Less Adjustment ..	..	103	..
		GENERAL RESERVE:			
16,00,000		As per last Balance Sheet	..	16,00,000	
		Add Provision this year .	..	8,00,000	24,00,000
11,50,000		REPLACEMENT AND RENEWAL RESERVE . .			11,50,000
		SURPLUS:			
	2,36,833	Profit as per last Balance Sheet . . .		3,20,365	
	15,53,532	*Add* Profit during the year (before appropriation) . . .		25,96,094	
	17,90,365			29,16,459	
	7,50,000	*Less* Transfer to General Reserve . . .	8,00,000		
	4,20,000	Provision for Selling Price variation .	..		
	3,00,000	Provision for Income Tax	10,15,000		
	..	Provision for Amenities	50,000		
	..	Dividend proposed at 2½%	10,00,000	28,65,000	51,459
3,20,365	14,70,000				
		LOANS			
51,98,279		SECURED LOANS.—Loans and Advances from Banks—State Bank of India, Bangalore, against hypothecation of Stores . . .	..		..
51,84,200		UNSECURED LOANS: (Government of India)			51,84,200
5,34,52,947		Carried Forward			4,87,85,659

(PRIVATE) LIMITED

AT 31ST MARCH 1956

PROPERTY AND ASSETS

1954-55 Rupees			1955-56 Rupees	
		FIXED ASSETS		
1,56,88,429		(As per Schedule annexed) . .		1,64,96,032
		PATENT RIGHTS, PAID TO A.T.E.		
	7,65,034	As per last Balance Sheet (written down value)	5,73,776	
5,73,776	1,91,258	*Less* : Amount written off during the year	1,91,259	3,82,517
		LIBRARY :		
5,027		As per last Balance Sheet . .	5,027	
		Less: Amount written off . .	5,027	..
		CURRENT ASSETS		
		STORES AT COST : (Raw Materials, Components and Sub-assemblies)		
	1,52,28,961	(As certified by the Managing Director)	1,33,38,209	
1,51,42,298	86,663	*Less* : Reserve for Stock and Stores deterioration	86,663	1,32,51,546
		STOCK-IN-TRADE AT COST:		
27,19,115		(As certified by the Managing Director)		34,19,607
		WORK-IN-PROGRESS AT COST :		
42,89,093		(As certified by the Managing Director)		35,71,330
3,16,623		MATERIALS-IN-TRANSIT . .		16,51,667
3,87,34,361		Carried Forward .		3.87,72,699

INDIAN TELEPHONE INDUSTRIES

BALANCE SHEET AS

CAPITAL AND LIABILITIES—(*Contd.*)

1954-55 Rupees				1955-56 Rupees	
5,34,52,947		Brought Forward :			4,87,85,659
		CURRENT LIABILITIES AND PROVISIONS			
		CURRENT LIABILITIES :			
	63,96,319	Sundry Creditors		25,92,075	
	42,71,673	Customs Duty	49,18,106	..	
		Less Deposit towards Customs Duty	15,86,909	33,31,197	
	31,84,184	Customers		17,00,045	
	1,10,105	Deposits		2,28,561	
	9,36,954	Expenses		8,77,205	
1,54,17,568	5,18,333	Other Finance		4,66,638	91,95,721
		PROVISIONS:			
		Provision for Amenities			50,000
		Provision for Dividend			10,00,000
		Provision for Selling Price Variation			
	6,90,530	As per last Balance Sheet	..	17,92,642	
17,92,642	11,02,112	*Add*: Transfer out of sales		24,95,774	
				42,88,416	
		Less : Adjustments		8,74,607	34,13,809
		PROVISION FOR CLAIMS:			
	3,22,110	As per last Balance Sheet		3,19,429	
3,19,429	2,681	*Less* : Adjustments	..	136	3,19,293
		PROVISION FOR INCOME-TAX:			
	7,00,000	As per last Balance Sheet	..	10,00,000	
10,00,000	3,00,000	*Add* : Provision this year	..	10,15,000	20,15,000
7,19,82,586		Carried forward			6,47,79,482

(PRIVATE) LIMITED—*Contd.*
AT 31ST MARCH 1956

PROPERTY AND ASSETS—*contd.*

1954-55 Rupees				1955-56 Rupees
3,87,34,361		Brought Forward .		3,87,72,699
	3,04,96,334	SUNDRY DEBTORS :	2,29,42,307	
2,98,63,375	6,32,959	*Less*: Reserve for Sales Rejections, Disputes, Losses etc , after adjustment of Rs 5,13,992 during the year . . .	1,18,967	2,28,23,340
		LOANS AND ADVANCES		
	25,46,685	Purchases	12,00,035	
	18,587	Advances Recoverable . .	57,366	
	1 25,613	Deposits	2,51,553	
	26,794	Prepaid Expenses . .	27,949	
30,12,834	2,95,155	Claims and Suspense Accou .	4,65,525	20,02,428
7,16,10,570		Carried Forward		6,35,98,467

INDIAN TELEPHONE INDUSTRIES

BALANCE SHEET AS

CAPITAL AND LIABILITIES—*Contd.*

1954-55 Rupees				1955-56 Rupees
7,19,82,586		Brought Forward . . .		6,47,79,482
		PROVISION FOR CONTINGENCIES		
	9,020	As per last Balance Sheet . .	7,126	
7,126	1,894	*Less*: Adjustments	..	
		Add: Adjustments on account of unclaimed Credits . .	15,149	22,275

CONTINGENT LIABILITY

There is Contingent Liability in respect of:—

(1) Sales Tax that may become payable to different State Governments.

(2) Enhanced claim against lands acquired for the Factory—Rs. 2,50,000.

(3) Enhancement of rent of premises formerly occupied by the Calcutta Branch Office which is under dispute—Rs. 3,650.

(4) Claim by P. & T. Department in respect of general sales out of imports billed at the conversion rate of one shilling=one Rupee instead of at the exchange rate plus margin up to 31st March 1954. (Against this, there is a claim by the Company on account of under-absorbed overheads).

7,19,89,712	TOTAL	6,48,01,757

We have audited the annexed Balance Sheet of INDIAN TELEPHONE INDUSTRIES (PRIVATE) LIMITED as at 31st March 1956 and the annexed Manufacturing Trading and Profit and Loss Accounts for the year ended 31st March 1956, with the Books of Accounts Vouchers and other documents maintained by the company and beg to report that:—

(1) We have obtained at the information and explanations that we required:

(2) The annexed Balance Sheet, Manufacturing, Trading and Profit and Loss Accounts are drawn up in conformity with the Law;

(3) The annexed Balance Sheet. Manufacturing, Trading and Profit and Loss Accounts exhibit a true and fair state of affairs of the Company according to the best of information and explanations given to us and as shown by the Books of Accounts, Vouchers and other documents of the Company; and.

(4) The Books of Accounts are maintained correctly by the Company as required by Section 130 of the Indian Companies' Act 1913.

DURAVANINAGAR;
BANGALORE. 6th JULY 1956.

S. B. DANDEKER & Co., *Chartered Accountant*.

(PRIVATE) LIMITED—*Contd.*

AT 31ST MARCH, 1956

PROPERTY AND ASSETS—*contd.*

1954-55 Rupees			1955-56 Rupees	
7,16,10,570		Brought Forward . .		6,35,98,407
		CASH AND BANK BALANCES		
	1,20,226	Cash in hand including cheques .	9,672	
	3,788	Cash in Transit	1,628	
	71,670	With Banks on Current Account .	11,61,455	
	1,699	Cheques sent for collection . .	27,997	
	4,251	Imprest	2,426	
4,21,768	134	Stamps	112	12,03,290
		MISCELLANEOUS EXPENDITURE AND LOSSES TO THE EXTENT NOT WRITTEN OFF		
1,57,374		Deferred Development Expenditure ..		
7,19,89,712		TOTAL		6,4[illegible]

TO THE NEAREST RUPEE

S. SIVARAMAKRISHNAN,
Financial Adviser.

JAGDEESH PRASAD,
Managing Director.

B. R. BATRA
V. N. CHANDAVARKAR
A. J. MANTLE
R. NARAYANASWAMI
K. NARAYANASWAMY
P.A. NARIELWALA
} *Directors.*

INDIAN TELEPHONE INDUSTRIES

MANUFACTURING, TRADING AND PROFIT AND LOSS

1954-55 Rupees		1955-56 Rupees
29,08,725	Working-in-Progress	42,89,093
2,52,32,588	Direct Materials (Raw material Components and sub-assemblies)	2,69,33,891
7,62,642	Direct Wages	10,09,345
48,93,907	Applied Overheads (On percentage basis)	56,92,112
45,134	Chargeable Expenses	96,060
3,38,42,996	TOTAL	3,80,20,501

1954-55 Rupees		1955-56 Rupees
22,81,250	Opening Stock (1-4-1955)	27,19,115
[illegible],7[illegible],45,437	Receipts from Manufacture and Cost of other Goods for Sale	2,30,41,242
48,794	Installation and Maintenance Charges	2,19,099
7,55,140	Selling Expenses	9,53,904
27,47,284	Gross Profit carried forward to Profit & Loss Account	25,99,579
3,30,77,905	TOTAL	2,95,32,930

(PRIVATE) LIMITED—*Contd.*

ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1956

1954-55 Rupees		1955-56 Rupees
	COST OF MANUFACTURED GOODS TRANSFERRED TO :	
9,85,488	Capital Works	9,25,340
1,48,12,759	Stores (Components and Sub-Assemblies)	2,08,38,262
1,36,12,300	Stock-in-Trade	1,24,35,621
1,43,356	Services and other Accounts	2,49,948
2,95,53,903		3,44,49,171
42,89,093	Work-in-Progress—(Carried forward to Balance Sheet)	35,71,330
3,38,42,996	TOTAL	3,80,20,501

3,02,45,906	Sales	2,58,92,206
1,12,884	Recovery on instalation and Services	2,21,117
27,19,115	Closing Stock (31-3-1956)	34,19,607
3,30,77,905	TOTAL	2,95,32,930

INDIAN TELEPHONE INDUSTRIES

MANUFACTURING, TRADE AND PROFIT AND LOSS

1954-55 Rupees			1955-56 Rupees
	OVERHEAD EXPENSES :		
23,47,765	Salaries and Wages (includes Rs. 25,208 Remuneration of Managing Director)		27,36,183
1,89,897	Contribution to Provident and other Funds		1,65,516
1,39,937	Workmen and Staff Welfare Expenses		1,95,205
97,774	Power and Fuel		1,29,761
2,64,681	Consumption of Stores and Spare Parts		3,77,743
4,08,693	Repairs to Machinery		7,85,143
46,983	Repairs to Buildings		60,541
45,953	Insurance		46,419
	MISCELLANEOUS EXPENSES:		
	Consideration paid to A.T.E. written off	1,91,259	
	Royalty	29,810	
	Interest	2,30,571	
	Discount and Commission	4,563	
	Experimental Work	4,960	
9,14,547	Other Expenses (including Rs. 1,150 Remuneration of Directors)	13,39,578	18,00,741
21,82,389	Depreciation		19,72,741
68,38,619			82,69,993
1,85,414	Depreciation on Idle Machinery		1,31,639
68,24,033			84,01,632
58,73,789	*Less* Expenses absorbed and allocated		83,25,263
9,50,244	Underabsorbed overheads		76,369
6,661	Losses in transit, evaporation etc.		22,213
1,91,258	Consideration paid to A.T.E. Written off		
44,659	Interest		
1,194	Discount and Commission		
23,119	Experimental Work		
61,575	Establishment Charges on Projects		
15,53,532	Net Profit carried forward to Balance Sheet		25,96,094
28,32,242	TOTAL		26,94,676

(PRIVATE) LIMITED—*Contd.*

ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1956

1954-55 Rupees		1955-56 Rupees
27,47,284	Gross Profit brought forward from Trading Account	25,99,570
84,958	Miscellaneous Receipts	95,106
28,32,242	TOTAL	26,94,676

(TO THE NEAREST RUPEE)

S. SIVARAMAKRISHNAN, *Financial Adviser.*

JAGDESH PRASAD, *Managing Director.*

B. R. BATRA
V. N. CHANDAVARKAR
A. J. MANTLE
R. NARAYANASWAMI
K. NARAYANASWAMY
P. A. NARIELWALA
} *Directors.*

INDIAN TELEPHONE INDUSTRIES (PRIVATE) LIMITED

SCHEDULE ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 1956

CAPITAL EXPENDITURE AS AT 31st MARCH 1956

ASSETS	As per last Balance Sheet at cost	Additions during the year	Total cost at 31st March 1956	Depreciation charged upto 31-3-1955 (net)	Depreciation charged during 1955-56	Total depreciation charged upto 31-3-1956	Book value at the end of the year
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	3,81,915	11,871	3,93,786	..	..	..	3,93,786
Building	44,44,681	6,87,145	51,31,826	3,90,299	66,721	4,57,020	46,74,806
I.T.I. Township	4,15,049	7,44,860	11,59,909	1,929	7,240	9,169	11,50,740
Plant, Machinery & Equipment	87,69,839	7,80,726	95,50,565	30,01,223	7,65,187	37,66,410	57,84,155
Furniture, Fixtures, Fittings and Equipment	17,14,710	1,20,566	18,35,276	4,20,566	1,90,403	6,10,969	12,24,307
Vehicles	3,08,054	47,114	3,55,168	1,54,102	1,09,727	2,63,829	91,339
Tools and Gauges	59,83,853	4,46,149	64,30,002	22,88,001	9,65,102	32,53,103	31,76,899
TOTAL Rs.	2,20,18,101	28,38,431	2,48,56,532	62,56,120	21,04,380	83,60,500	1,64,96,032

INDIAN AIRLINES CORPORATION

Balance Sheet as at 31st March 1956

INDIAN AIRLINES

BALANCE SHEET AS

CAPITAL AND LIABILITIES

	Rs.	Rs.
1. CAPITAL		
(a) *Liability to pay Compensation under the Air Corporations Act*, 1953 :—		
Amount as per last Balance Sheet	3,31,89,43,033	
Additional liability as a result of final valuation of "Inter-Airline" shares of one Airline—*vide* Govt. of India letter No. 4CA (21)/54 pt. II dt. 24th March, 1956	50,688	
	3,19,44,991	
Less Cash compensation paid during the year . .	55,78,964	
Balance	2,63,66,027	
Made up of		
(i) Bonds issued	2,62,30,960	
(ii) Cash compensation payable	1,35,067	2,63,66,027
(b) Capital received from Govt. of India		4,95,02,000
TOTAL CAPITAL		7,58,68,027
2. OPERATING RESERVES :		
(a) *Self Insurance Reserve*:—		
Balance as per last Balance Sheet	2,66,143	
Add Provision made during the year	4,84,167	
	7,50,310	
Less write off during the year	1,49,399	6,00,911
(b) *Obsolescence Reserve*:—		
Balance as per last Balance Sheet	35,01,000	
Less Adjusted during the year	6,99,000	28,02,000
3. DEPRECIATION:		
Balance as per last Balance Sheet	67,16,523	
Less write off during the year	2,17,485	
	64,99,038	
Add provision made during the year	59,00,719	1,23,99,757
4. LIABILITY FOR FIDUCIARY DEPOSITS :		
(*a*) Liability for Employees' Provident Fund . .	7,64,622	
(*b*) Liability for Contract Advances, Agents Deposits, Employees' Securities, Unclaimed Dividends of previous Airlines etc.	4,05,303	11,69,925
5. LONG TERM LOANS—FROM GOVT. OF INDIA .		2,76,83,147

CORPORATION

AT 31st MARCH, 1956

PROPERTY AND ASSETS

		Rs.	Rs.
9. INTANGIBLE ASSETS :			
(a) *Goodwill*			
Balance as per last Balance Sheet		34,400	
Less written off during the year		34,400	Nil
(b) *Leasehold Land*			
Balance as per last Balance Sheet		2,73,400	
Additions during the year		13,680	
		2,87,080	
Less written off during the year		451	2,86,629
(c) Difference due to Devaluation of Pakistan Currency			15,86,827
10. DEFERRED CHARGES—Intercharge Accounts (Subject to adjustments)			2,60,424
11. PROPERTY AND EQUIPMENT—at cost as per Schedule I.			4,47,74,539
12. INVESTMENTS			5,11,749
13. ASSETS EARMARKED			
(a) Employees' Deposits		1,00,600	
(b) Deposits from Agents and Others		12,000	1,12,600
14. CURRENT ASSETS :			
(a) Spares and Stores			2,50,97,216
(b) *Book Debts*:—			
Amount as per books		1,86,83,764	
Less provision for Bad and Doubtful Debts:			
Amount as per last balance Sheet	50,000		
Add provision made during the year	2,50,000	3,00,000	1,83,83,764
(c) Advances to staff			63,840
(d) Advances for purchase of aircraft			23,77,982
(e) Advances for other purchases			25,44,390
(f) Advances for expenses			2,02,361
(g) Prepaid expenses			1,26,438
(h) Deposits			11,74,243
(i) Accrued interest receivable			7,345
(j) Suspense Account			38,634
(k) Cash and Bank Balances			1,95,63,896

INDIAN AIRLINES

BALANCE SHEET AS

CAPITAL AND LIABILITIES

	Rs.	Rs.
6. CURRENT LIABILITIES:		
(*a*) Accrued interest payable	3,86,347	
(*b*) Liability for goods supplied	24,63,678	
(*c*) Liability for Expenses	1,56,10,112	
(*d*) Unearned Transportation Revenue	20,00,000	
(*e*) Airlines Traffic Accounts Payable	16,37,757	
(*f*) Suspense Account	3,94,039	
(*g*) Other Current Liabilities	22,15,532	2,47,07,465
7. HIMALAYAN AVIATION LOAN SUSPENSE ACCOUNT		7,85,000
8. STAFF PROVIDENT FUND:		
(*a*) Employees' and Employer's contribution including interest	1,28,73,914	
(*b*) Other liabilities and credit Balances . .	3,77,976	1,32,51,890
TOTAL . . .		15,92,68,122

CORPORATION—*Contd.*

AT 31ST MARCH, 1956

PROPERTY AND ASSETS

	Rs.	Rs.
15. LOSSES:		
As per last Balance Sheet	1,69,63,320	
Add Loss for the year	1,19,40,035	2,89,03,355
16. STAFF PROVIDENT FUND		
(*a*) Investment including Deposits	1,03,39,257	
(*b*) Other Assets	16,64,201	
(*c*) Cash and Bank Balances	12,48,432	1,32,51,890
TOTAL		15,92,68,122

There is a Contingent Liability of Rs. 5,50,500 towards a claim for customs duty on aviation fuel and oil remaining in the tanks of aircraft returning from foreign stations. This liability has not been accepted by the Corporation.

J. S. PARAKH,
Financial Comptroller.

SHANKAR PRASAD,
Chairman.

INDIAN AIRLINES CORPORATION

Profit and Loss Account for the year ended 31st March, 1956.

OPERATING REVENUES

	Rs.	Rs.
Scheduled Services—		
Passengers	4,39,66,703	
Excess Baggage and Freight	1,85,78,788	
Mail	86,42,038	
		7,11,87,529
Non-Scheduled Services		70,24,592
Other Transportation Revenue—		
Cancellation Fees	3,40,845	
Statistical and Cartage Charges	4,32,588	
Pool Revenue from A.I.I.C.	9,33,541	
		17,06,974
Incidental Revenue—Net		9,41,321
		8,08,60,416

OPERATING EXPENSES

	Rs	Rs.
Flying Operations	4,57,91,564	
Flight-Equipment, Maintenance, Repair and Overhaul	1,89,06,363	
Passenger, Cargo and Mail Services	28,73,900	
Surface Transport	29,00,183	
Traffic and Sales	59,37,636	
Booking Agency Commission	20,39,175	
Advertisement and Publicity	4,51,521	

INDIAN AIRLINES CORPORATION—contd.

OPERATING EXPENSES—contd.

	Rs.	Rs.
General Administration	73,66,502	
		8,62,66,844
Depreciation		59,00,719
		9,21,67,563
Operating Loss		1,13,07,147
Non-Operating Expenditure—Net		6,32,888
TOTAL LOSS . .		1,19,40,035

AIR-INDIA

Balance Sheet

Capital and Liabilities		Rupees	31-3-1956 Rupees	31-3-1955 Rupees
1. CAPITAL				
3½% Air-India International Corporation Bonds (1953-58) of the Face Value of Rs. 2,54,02,500		2,54,02,500	..	..
Amount received from Government :	Rs.			
During previous years	6,89,90,952	..	..	..
Add : During this year	50,00,000			
		7,39,90,952		
(Please see Schedule 'A' annexed)			9,93,93,452	9,66,81,724
2. LOAN (Unsecured)				
Amount received from Government of India as loan for Staff Housing Scheme at 4½% repayable in fifteen equated annual instalments .		30,00,000	..	..
Interest accrued on above		3,123		..
			30,03,123	
3. DEBENTURES (1949-59)				
(Taken over from Air-India International Ltd.)		9,04,000		9,04,000
Interest accrued on above		12,053		12,053
RESERVES			9,16,053	9,16,053
4. CAPITAL RESERVE				
Capital surplus, being the excess of insurance claim received over the acquisition cost of the Aircraft destroyed in accident, less expenses and charges incurred due to the Accident .		..	12,06,445	Nil.
5. GENERAL RESERVE				
Balance as per last Balance Sheet . .		15,00,000	..	4,50,000
Add: Amount transferred from Staff Leave Reserve (item 8)		1,77,964	..	..
Amount transferred from appropriation Account .		1,72,036	..	10,50,000
			18,50,000	15,00,000
Carried Forward .			10,63,59,073	9,90,97,777

INTERNATIONAL

as at 31st March, 1956

Property and Assets	Rupees	31-3-1956 Rupess	31-3-1955 Rupees
17. CAPITAL EXPENDITURE AT COST			
As per Schedule 'B' annexed (Depreciation as per contra)	..	7,60,42,594	7,20,92,319
18. CAPITAL WORKS-IN-PROGRESS	..	5,99,144	3,44,581
19. DEVELOPMENT EXPENDITURE			
Expenditure incurred on setting up Outstation Offices, Technical Training, Developing Far Eastern Routes and Decoration of Booking Offices, etc.			
As per last Balance Sheet . .	9,14,825	..	1,65,977
Add : Expenditure during the year .	4,01,968	..	10,48,848
	13,16,793	..	12,14,825
Less : Amount written off during the year	4,00,000	..	3,00,000
		9,16,793	9,14,825
20. SPARE PARTS, CONSUMABLE STORES & TOOLS			
As per Inventories certified by the General Manager		2,63,69,096	1,98,16,108
21. GOODS-IN-TRANSIT	..	53,08,516	40,71,399
22. BOOK DEBITS			
(a) *Considered Good* :			
Secured :			
Sundry Debtors for Passages, Freight, etc. .	..	..	29,825
Unsecured			
Sundry Debtors for Passages, Freight, etc. .	1,43,00,505	..	1,20,01,743
(b) *Considered Doubtful* :			
Sundry Debtors for Passages, Freight, etc. .	1,51,892	..	75,258
		1,44,52,397	1,21,06,826
Carried Forward .	..	12,36,88,540	10,93,46,058

AIR-INDIA

Ba'ance Sheet as at

Capital and Liabilities	Rupees	31-3-1956 Rupees	31-3-1955 Rupees
Brought Forward	..	10,63,69,073	9 90,97,777
6. INSURANCE FUND			
Balance as per last Balance Sheet	10,00,000	..	3,00,000
Add: Interest accrued upto 31-3-56 on Insurance Fund Investment	7,740	..	..
Amount transferred from Appropriation Account	1,94,061	..	3,56,792
Credit received for no claim refund on aircraft insurance in 1954	..	..	3,44,468
	12,01 801	..	10,01,260
Less: Uninsured loss during the year	1,801	..	1,260
	..	12,00,000	10,00,000
7. DEFERRED TAXATION RESERVE			
Balance as per last Balance Sheet	16,05,000	..	5,25,000
Add: Provision made during the year	2,90,650	..	10,80,000
	18,95,650	..	16,05,000
Less: Income-tax paid at Foreign Stations	5,139	..	..
		18,90,511	16,05,000
8. STAFF LEAVE RESERVE			
Balance as per last Balance Sheet	7,11,857	..	..
Less: 75% of the amount previously deducted (Rs. 7,11,857) for value of accumulated privilege leave of the Staff now added back as a result of compromise	5,33,893	..	..
	1,77,964		
Less: Amount transferred to General Reserve (Item No. 5)	1,77,964	Nil	7,11,857
9. PROVISIONS			
(a) *For Depreciation*			
Balance as per last Balance Sheet	56,73,446	..	15,99,949
Add: Provision made during the year	72,50,000	..	41,00,000
	1,29,23,446	..	56,99,949
Less Adjusted on account of assets sold, scrapped or lost in accident	7,42,229	..	26,503
		1,21,81,217	56,73,446
Carried Forward		2,16,40,801	10,80,88,080

INTERNATIONAL—*contd.*

31st, March 1956

Property and Assets	Rupees	31-3-1956 Rupees	31-3-1955 Rupees
Brought Forward .		12,36,88,540	10,93,46,058
23. ADVANCES			
(*a*) Loans to Staff	44,200	..	29,462
(*b*) Prepaid expenses, including Insurance, Travelling Advances, etc.	28,31,647	..	27,93,340
(*c*) Sundry Deposits	4,41,744	..	4,01,258
(*d*) For purchase of Aircraft and Equipment .	98,57,642	..	31,47,719
(*e*) Air-India International Ltd. Compensation .	..	..	50,000
(*f*) Staff Housing Scheme	1,70,749	..	..
		1,33,45,982	64,21,779
24. INVESTMENTS AT COST			
As per Schedule 'C' annexed	..	72,916	49,646
25. INTEREST ACCRUED ON INVESTMENTS		181	85
26. CASH AND BANK BALANCES			
(*a*) Cash (including cheques) in Hand . .	3,44,432	..	5,68,345
(*b*) Cash in Transit	2,16,846	..	62,837
(*c*) With Banks on Current Accounts . .	38,58,590	..	29,73,178
(*d*) Call Deposits with Banks	30,00,000	..	75,43,300
		74,19,868	1,11,47,660
27. INTEREST ACCRUED ON CALL DEPOSITS		48,159	57,764
28. INSURANCE FUND INVESTMENT			
Call Deposit with Bank	10,00,000	..	..
Interest accrued on above	7,740	10,07,740	Nil
29. ASSETS EARMARKED AGAINST EMPLOYEES' DEPOSIT			
(*a*) Government Securities, etc. (face value) .	65,500	..	46,500
(*b*) Fixed Deposit with the Central Bank of India Ltd. Bombay	5,000	..	5,000
(*c*) With the Central Bank of India Ltd., Bombay, on Current A/c	13,807	..	8,375
		85,307	59,875
30. STAFF PROVIDENT FUND ASSETS TO BE TRANSFERRED TO THE TRUSTEES		Nil	12,13,005
Carried Forward .	14,56,68,693	12,82,05,872	

AIR-INDIA

Balance Sheet as at

Capital and Liabilities	Rupees	31-3-1956 Rupees	31-3-1955 Rupees
Brought Forward		12,16,40,801	10,80,88,080
9. PROVISIONS (*Contd.*)			
(*b*) *For Obsolescence*			
Balance as per last Balance Sheet	30,99,395	..	17,24,395
Add: Provision made during the year	18,00,000	..	13,75,000
	48,99,395	..	30,99,395
Less: Cost of Obsolete spares written off	2,35,608	..	..
		46,63,787	30,99,395
(*c*) *For Doubtful Debts*			
Balance as per last Balance Sheet	76,000	..	..
Add: Provision made during the year	79,000	..	76,000
		1,55,000	76,000
10. LIABILITIES			
(*a*) For Goods Supplied	51,02,620	..	19,45,641
(*b*) For Expenses	54,66,549	..	34,80,014
(*c*) For other Finance	37,19,825	..	6,28,893
(*d*) For Interest payable and accrued on A-I.I. Bonds	1,71,983	..	14,53,783
(*e*) For Capital Expenditure	..	..	4,56,420
		1,54,60,977	1,22,64,751
11. EMPLOYEES' DEPOSITS			
As per Contra	..	85,307	59,875
12. STAFF PROVIDENT FUND			
Amount to be transferred to the Trustees of the Staff Provident Fund (As per Contra)	..	Nil	12,13,005
Carried Forward		14,20,05,872	12,48,01,106

INTERNATIONAL—*contd.*

31st, March, 1956

Property and Assets	Rupees	31-3-1956 Rupees	31-3-1955 Rupees
Brought Forward .		14,56,68,693	12,82,95,872
31. ASSETS EARMARKED AGAINST DEPOSITS FROM SUNDRY PARTIES			
Call Deposit with Bank	..	..	56,700
With Central Bank of India Ltd., Bombay, on Current Account	28,220	..	..
		28,220	56,700
Carried Forward .		14,56,96,913	12,83,52,572

AIR-INDIA

Balance Sheet as at

Capital and Liabilities	Rupees	31-3-1956 Rupees	31-3-1955 Rupees
Brought Forward		14,20,05,872	12,48,01,106
13. STAFF WELFARE FUND			
Amount set aside during the year	30,000	..	..
Less: Advances (repayable) . . .	284	..	..
		29,716	Nil
14. DEPOSITS FROM SUNDRY PARTIES			
(As per contra)		28,220	56,700
15. ADVANCE PAYMENTS			
Passenger Receipts etc.		35,97,729	34,71,750
16. PROFIT AND LOSS ACCOUNT . .			
Balance as per Appropriation Account . .		35,376	23,016
		14,56,96,913	12,83,52,572

INTERNATIONAL—*contd.*

31st, March 1956

Property and Assets	Rupees	31-3-1956 Rupees	31-3-1955 Rupees
Brought Forward .		14,56,96,913	12,83,52,572
		14,56,96,913	12,83,52,572

As per our Report annexed.

(Sd./) S. B. BILLIMORIA & CO

(Sd./) N. M. RAIJI & CO.

Chartered Accountants

Bombay, 31st July 1956.

AIR-INDIA INTERNATIONAL

Schedule "A" attached to and forming part of the Balance Sheet as at 31st March, 1956.

Capital as at 31st March, 1956.

Net Value of Assets and Liabilities taken over from Air-India International Ltd., under the Air Corporations Act, 1953.

		Rs.
Balance as per last Balance Sheet		2,76,90,772
Add : 75% of the amount previously deducted (Rs. 7,11,857/-) for value of accumulated privilege leave of the staff, now added back as a result of compromise with the previous company		5,33,893
Net Value of Compensation as finally determined		2,82,24,665
Which was paid off as follows :		
90% in 3½% Air-India International Corporation Bonds (1953—58)		2,54,02,500
10% in Cash		28,22,165
		2,82,24,665
The Capital of the Corporation is made up of :		
3½% Air-India International Corporation Bonds (1953—58)		2,54,02,500
Amounts received from Government :		
During previous years	6,89,90,952	
During this year	50,00,000	
		7,39,90,952
Total Capital as at 31st March, 1956		9,93,93,452

AIR-INDIA INTERNATIONAL

Schedule "B" attached to and forming part of the Balance Sheet as at 31st March, 1956.
Capital Expenditure as at 31.3.1956

Particulars	Cost as at 31-3-1955	Additions & transfers during the year	Deductions & Transfers during the Year	Gross Block as at 31.3.1956
	Rs.	Rs.	Rs.	Rs.
1. Airframes	4,53,00,912	9,98,335	26,60,946	4,36,38,301
2. Aero Engines and "Quick Engine Change" Units	1,96,74,669	28,53,648	6,06,657	2,19,21,660
3. Propellers	16,91,408	6,52,108	1,67,960	21,75,556
4. Workshop Equipment and Instruments, Ramp Equipment, Machinery and Plant	24,42,933	11,08,975	789	35,51,119
5. Furniture and Fixtures	7,70,242	6,31,052	3,015	13,98,279
6. Vehicles	10,86,621	4,09,942	8,231	14,88,332
7. Electrical Fittings and Installations	1,90,614	2,50,659	15,893	4,25,380
8. Typewriters and Office Appliances .	2,60,664	2,25,720	1,898	4,84,486
9. Buildings	6,65,714	2,42,914	..	9,08,628
10. Miscellaneous	8,542	42,311	..	50,853
GRAND TOTAL . .	7,20,92,319	74,15,664	34,65,389	7,60,42,594

AIR-INDIA INTERNATIONAL

Schedule "C" attached to and forming part of the Balance Sheet as at 31st March, 1956.

Investment at cost as at 31.3.1956.

	31.3.1956 Rs.	31.3.1955 Rs.
(a) 100 Class 'A' Shares of £1/each in International Aeradio Ltd.	1,336	1,336
(b) 20 Shares of Belgian Frs. 200 each in S.I.T.A. (Societe International de Tele Communications Aeronautique) . .	381	381
(c) 2800 Shares of Ticals 100 each in Aeronautical Radio of Siam Ltd.	62,222	41,333
(d) Tokyo Government Telephone Bonds of the Face Value of Yens 300,000	3,968	1,587
(e) The Central Bank of India Ltd. 3 year cash certificate of Rs. 5,400/- (Date of Maturity 26.11.1957)	5,009	5,009
	72,916	49,646

AIR INDIA INTERNATIONAL

Profit and Loss Account for the year ending 31st March 1956

AIR INDIA

Profit and loss account

	Rupees	1955-56 Rupees	1954-55 Rupees
1. A. FLYING OPERATIONS			
(a) Pay, Allowances & Provident Fund Contributions	29,40,356		22,03,869
(b) Personnel Insurance	35,773		43,705
(c) Other Staff Costs	9,47,579		5,20,394
(d) Fuel and Oil	1,52,61,295		98,45,832
(e) Aircraft Insurance	24,00,860		18,23,418
(f) Landing Fees	11,25,807		8,75,550
(g) Hire of Aircraft	48,035		3,99,715
(h) Other Operational Expenses	5,89,872		2,71,966
		2,33,49,577	1,59,84,449
1. B. TRAINING			
(a) Pay, Allowances & Provident Fund Contributions	82,025		74,924
(b) Fuel, Landing Fees & Cost of Materials	6,73,151		6,73,804
(c) Training by Third Parties	1,08,999		8,330
		8,64,175	7,57,058
2. FLIGHT EQUIPMENT MAINTENANCE & OVERHAUL			
(a) Pay, Allowances & Provident Fund Contributions	56,15,605		39,55,089
(b) Personnel Insurance	13,420		3,913
(c) Other Staff Costs	3,27,493		1,66,914
(d) Materials consumed including outside repairs & services	48,21,150		35,78,960
(e) Insurance of Equipment & Stores	1,22,211		88,615
(f) Other Engineering Expenses	7,69,163		4,63,468
		1,16,59,042	82,56,959
3. TRAFFIC SALES & PUBLICITY			
(a) Pay, Allowances & Provident Fund Contributions	31,48,075		20,41,385
(b) Personnel Insurance	9,017		9,915
(c) Other Staff Costs	5,61,830		3,25,600
C/f	37,18,922		23,76,900
Carried Forward		3,58,72,794	2,49,98,466

INTERNATIONAL

for the year ending 31st March, 1956

	Rupees	1955-56 Rupees	1954-55 Rupees
17. TRAFFIC REVENUE			
(a) Passengers	4,69,12,126		3,29,32,956
(b) Excess Baggage	15,92,562		11,21,228
(c) Mail	1,12,13,298		85,77,210
(d) Freight	58,89,360		34,27,614
(e) Charters	4,10,672		6,78,895
		6,60,18,018	4,67,37,903
18. OTHER REVENUE			
(a) Commission earned from other Airlines	8,37,926		4,36,664
(b) Handling and Servicing Receipts	2,15,172		6,19,794
(c) Miscellaneous Revenue	5,82,326		4,85,616
		16,35,424	15,42,074
19. TOTAL OPERATING REVENUE		6.76,53,442	4,82,79,977
NON-OPERATING REVENUE			
20. INTEREST	2,12,121		86,135
21. PROFIT (EXCLUDING CAPITAL SURPLUS) ON ASSETS SOLD, SCRAPPED OR LOST IN ACCIDENT (REPRESENTS WRITE BACK OF DEPRECIATION PREVIOUSLY PROVIDED)	7,55,853		..
		9,67,974	86,135
22. TOTAL REVENUE		6,86,21,416	4,83,66,112
Carried Forward		6,86,21,416	4,83,66,112

AIR-INDIA

Profit and loss account

	Rupees	1955-56 Rupees	1954-55 Rupees
Brought Forward		3,58,72,794	2,49,98,466
3. TRAFFIC SALES & PUBLICITY B/f . .	37,18,922		23,76,900
(d) Booking Agency Commission	40,01,623		28,00,615
(e) Publicity and Advertising	28,02,449		14,50,096
(f) Charges for handling by other Operators .	12,52,554		8,28,962
(g) Other Traffic Expenses, including Rent, Rates, Printing & Stationery, Postage & Telegrams, Telephones etc.	28,30,947		16,18,597
		1,46,06,495	90,75,170
4. PASSENGER & CARGO SERVICES			
(a) Pay, Allowances Provident Fund Contributions	7,94,519		5,85,720
(b) Personnel Insurance	11,061		13,676
(c) Other Staff Costs	4,72,059		2,50,309
(d) Food Service including Hotel Accommodation	17,58,295		11,41,280
(e) Liability Insurance	2,57,096		1,77,148
(f) Other Expenses	4,64,299		3,99,346
		37,57,329	25,67,479
5. SURFACE TRANSPORT			
(a) Pay, Allowances & Provident Fund Contributions	2,73,579		2,05,341
(b) Insurance	32,712		23,427
(c) Other Staff Costs	16,199		8,791
(d) Fuel & Oil	1,22,087		96,882
(e) Materials and Outside Repairs . . .	98,500		1,05,896
(f) Hire of Transport	1,44,036		78,650
(g) Other Expenses	64,797		44,002
		7,51,910	5,62,989
6. GENERAL ADMINISTRATION			
(a) Pay, Allowances & Provident Fund Contributions	17,52,027		11,49,898
(b) Insurance	7,472		8,016
(c) Other Staff Costs	94,528		68,896
C/f	18,54,027		12,26,810
Carried Forward		5,49,88,528	3,72,04,104

AIR INDIA

PROFIT AND LOSS ACCOUNT

	Rupees	1955-56 Rupees	1954-55 Rupees
Brought Forward		5,49,88,528	3,72,04,104
6. GENERAL ADMINISTRATION B/f	18,54,027	..	12,26,810
(d) Office Expenses	3,86,034	..	3,02,695
(e) Interest	1,220	..	1,15,055
(f) Board Members' Fees & Expenses	8,335	..	10,730
(g) Audit Fees and Expenses	33,241	.	31,600
(h) Staff Welfare Expenses	1,98,647	.	2,48,408
(i) Development Expenditure written off.	4,00,000		3,00,000
		28,81,504	22,35,298
7 Net Loss on Assets sold or scrapped			10,646
8. Provision for Doubtful Debts	.	79,000	76,000
9 Depreciation	.	72,50,000	41,00,000
10. Obsolescence of Spares	.	18,00,000	13,75,000
11. TOTAL OPERATING EXPENSES	..	6,69,99,032	4,50,01,048
NON-OPERATING EXPENSES			
12. Interest on Debentures	36,160	..	36,160
13. Interest on Air India International Corporation Bonds	9,17,117	..	8,53,783
14. Provision for Deferred Taxation	2,90,650	..	10,80,000
		12,43,927	19,69,943
15. TOTAL EXPENSES	..	6,82,42,959	4,69,70,991
16. Profit for the year, carried to Appropriation Account	..	3,78,457	13,95,121
TOTAL		6,86,21,416	4,83,66,112

NOTE :—Total Operating Revenue (Please see item 19) . . 6,76,53,442
Less : Total Operating Expenses (Please see item 11) . 6,69,99,032

Operating Profit . . 6,54,410

AIR INDIA

Appropriation Account

	Rupees	31-3-1956 Rupees	31-3-1955 Rupees
Transferred to Insurance Fund	1,94,061	..	3,56,792
Transferred to General Reserve	1,72,036	..	10,50,000
		3,66,097	14,06,792
Balance transferred to Balance Sheet		35,376	23,016
TOTAL . . .		4,01,473	14,29,808

(Sd.) S. E. BILLIMORIA & Co.

(Sd.) N. M. RAIJI & Co.

Chartered Accountant.

INTENATIONAL

as at 31st March, 1956

	Rupees	31-3-1956 Rupees	31-3-1955 Rupees
Balance as per last year's Account . . .		23,016	34,687
Balance brought down from Profit & Loss Account		3,78,457	13,95,121
TOTAL . . .		4,01,473	14,29,808

BHARAT ELECTRONICS (P)

Balance Sheet as at

1954-55 Rs.	CAPITAL AND LIABILITIES	1955-56 Rs.	Rs.
	Authorised Capital		
10,00,00,000 0 0	1,00,000 Ordinary shares of Rs. 1,000 each	10,00,00,000 0 0	
	Issued and Subscribed Capital		
5,00,00,000 0 0	50,000 Ordinary shares of Rs. 1000, each.	5,00,00,000 0 0	
	Called and Paid up Capital		
10,00,000 0 0	50,000 ordinary shares of Rs. 1,000 each @ Rs. 375 per share.		1,87,50,000 0 0
	Current Liabilities Sundry Creditors		
	For Purchase of Machinery Customs duty etc.	2,60,817 8 6	
	Government of India, Ministry of Defence	37,55,670 5 10	
	Compagnie Generale De Telegraphie Sans Fil .	16,53,246 0 7	
	Deposits from Contractors . . .	70,370 8 0	
	Miscellaneous Creditors	62,240 10 9	
	Outstanding Expenses .	1,11,377 11 0	
56,30,550 12 1			49,13,722 12 8

LIMITED

31st March, 1956

1954-55 Rs.	PROPERTIES AND ASSETS		1955-56 Rs
	Fixed Assets		
	Land at cost (Provisional)		5,86,000 0 0
	Building at Cost		
	Temporary Buildings, Roads and culverts. (Provisional cost)	3,05,252 6 0	
	Less depreciation for the year	15,568 0 0	
		2,89,684 6 0	
25,06,563 8 0	Add Buildings under construction.	92,89,674 2 9	
	Add Proportionate expenses prior to production	12,22,520 0 0	
			1,08,01,87[illegible] [illegible] 9
	Plant and Machinery at cost		
8,69,260 8 0	As per last Balance Sheet	8,69,260 8 0	
	Additions during the year	38,91,461 2 2	
	Add erection charges	30,840 15 0	
		47,91,562 9 2	
	Less Depreciation for the year	53,380 0 0	
		47,38,182 9 2	
	Add proportionate Expenses prior to production	6,04,688 0 0	53,42,87[illegible] 0 2
9,95,331 15 4	Plant & Machinery in transit.		
	Electronic Equipment at Cost		
30,093 7 0	As per last Balance Sheet.	30,093 7 0	
	Additions during the year	1,21,443 4 0	
		1,51,536 11 0	
	Less depreciation for the year	11,184 12 0	
		1,40,351 15 0	
	Add proportionate Expenses prior to production	17,912 0 0	
			1,58,[illegible] 15 0
	Vehicles at Cost		
1 [illegible],294 9 2	As per last Balance Sheet	1,07 294 9 2	
	Additions during the year	67,550 8 0	
		1,74,845 1 2	
7,308 0 0	Less depreciation till date	32,130 9 0	
		1,42,714 8 2	

BHARAT ELECTRONICS (P)

Balance Sheet

1954-55		1955-56
Rs.		Rs.

LIMITED—*Contd.*

as at 31st March, 1956.

1954-55 Rs.		Rs.	1955-56 Rs.
99,986 9 2	Add proportionate expenses prior to production . . .	18,213 0 0	
			1,60,927 8 2
	Factory and Office Equipment		
28,835 7 9	As per last Balance Sheet . . .	28,835 7 9	
27,937 7 9	Additions during the year . . .	46,623 7 0	
		75,458 14 9	
898 0 0	Less depreciation till date . . .	10,077 1 0	
		65,381 13 9	
	Add proportionate expenses prior to production . . .	8,345 0 0	73,726 13 9
	Furniture, Fixture and Fittings		
61,886 12 6	As per last Balance sheet	61,886 12 6	
	Additions during the year . . .	68,390 9 0	
		1,30,277 5 6	
736 0 0	Less depreciation till date . . .	6,526 2 0	
		1,23,751 3 6	
61,150 12 6	Add proportionate Expenses prior to production . . .	15,793 12 1	
			1,39,544 15 7
	Library at Cost		
3,601 15 3	As per last Balance sheet	3,601 15 3	
	Additions during the year . . .	3,095 3 6	
45,93,926 3 0			6,697 2 9
			1,72,69,909 9 2
	Current Assets		
15,730 13 6	Stores and spares as certified by managing Director . . .	1,73,605 3 0	
	Materials in transit as certified by Managing Director .	4,141 9 0	
	Work-in-Progress Production as certified by Managing Director	62,821 15 0	
521 11 0	Sundry Debtors Good and Recoverable .	2,874 7 0	
7,884 15 8		84,376 0 8	
24,137 8 2			3,27,819

BHARAT ELECTRONICS (P)

Balance Sheet

1954-55			1955-56
Rs.		Rs.	Rs.
			14,(9,644 10
66,30,550 12 1		2,36,63,722 12 8	66,30,550 12 1

LIMITED—*Contd.*

as at 31st March, 1956

1954-55 Rs.					1955-56 Rs.
	Loans and Advances				
45,588 5 8	Advances and prepaid Expenses . .			1,21,295 10 8	
1,10,000 0 0	For stores and Customs with the Ministry of Works Housing & Supply . . .			2,34,534 7 0	
31,085 7 4	For Machinery with Government of India Ministry of Defence .			1,37,277 7 7	
1,86,673 13 0					4,93,107 9 3
	Cash and Bank Balances				
4,667 12 0	Cash on hand . .			30,320 1 6	
2,62,774 8 0	Short Term Deposit with State Bank (with accrued interest) . .			36,86,711 1 0	
1,48,726 5 3	In current Account with Bankers . . .			74,768 8 7	
4,16,168 9 3					37,91,799 11 1
	Miscellaneous Expenses and Losses				
2,33,216 14 0	Preliminary Expenses .			2,35,016 14 0	
5,10,830 6 1	Compagnie Generale De Telegraphie Sans Fil, Paris—towards inspection erection etc. of Machinery & Equipment as per clause 6(b) of Agreement .			1,86,732 10 0	
	Technical & Industrial Assistance etc. . .			9,52,045 13 4	
	Profit and Loss A/c.				
6,65,597 6 7	Loss as per last Balance sheet .		6,65,597 6 7		
	Add loss as per profit & Loss A/c. .	16,29,165 12 8			
		22,94,763 3 3			
	Less Expenses prior to production capitalised .	18,87,471 12 1			
				4,07,291 7 2	
					17,81,086 12 6
					2,36,63,722 12 8

AUDITORS' REPORT

We have audited the annexed Balance Sheet of Bharat Electronics (Private) Limited, as at 31st March, 1956, and the annexed Manufacturing and Profit and Loss Accounts for the year ended 31st March, 1956, with the Books of Accounts. Vouchers and other documents maintained by the Company and beg to report that :—

(1) We have obtained all the information and explanations that we required ;

(2) The annexed Balance Sheet, Manufacturing and Profit and Loss Accounts are drawn up in conformity with the Law ;

(3) The Annexted Balance Sheet, Manufacturing and Profit and Loss Accounts exhibit a true and fair state of affairs of the Company according to the best of information and explanations given to us and as shown by the Books of Accounts, Vouchers and other documents of the Company ; and

(4) The Books of Accounts are maintained correctly by the Company as required by Section 130 of the Indian Companies' Act, 1913.

A. K. GHOSH,
Managing Director.

K. N. NAIR,
Controller of Finance,

M. K. VELLODI,
Chairman.

Directors :

1. Shri S. Ratnam
2. Dr. K. S. Krishnan
3. Dr. M. B. Sarwate
4. Major General S. D. Verma
5. Sir Vithal N. Chandavarkar
6. Shri S. M. Ramakrishna Rao
7. Shri S. L. Kumar

JALAHALLI ;
Bangalore, 20th September 1956.

M. K. DANDEKER & CO.,
Chartered Accountants

BHARAT ELECTRONICS (PRIVATE) LIMITED

SCHEDULE ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 1956

CAPITAL EXPENDITURE AS AT 31st MARCH 1956

ASSETS	As per last B S at cost	Additions during the year	Proportionate expenses prior to production allocated	Total cost at 31-3-56	Depn charged upto 31-3-55	Depn charged during 55-56	Total Depn charged upto 31-3-56	Book value at the end of the year
	Rs. As. P.	Rs. As. P.	Rs. As. P.	Rs. As. P.	Rs. As. P.	Rs. As. P.	Rs. As. P.	Rs. As. P.
1 Land	..	5,86,000 0 0	..	5,86,000 0 0	.	.	..	5,86,000 0 0
2. Building, Roads & Culverts.	25,06,563 8 0	70,88,363 0 9	12,22,520 0 0	1,08,17,446 8 9	...	15,568 0 0	15,568 0 0	1,08,01,878 8 9
3. Plant & Machinery.	8,69,260 8 0	39,22,302 1 2	6,04,688 0 0	53,96,250 0 2	..	53,380 0 0	53,380 0 0	53,42,870 9 2
4. Electronics Equipment.	30,093 7 0	1,21,443 4 0	17,912 0 0	1,69,448 11 0	.	11,184 12 0	11,184 12 0	1,58,263 15 0
5. Vehicles	1,07,294 9 2	67,550 8 0	18,213 0 0	1,93,058 1 2	7,308 0 0	24,822 9 0	32,130 9 0	1,60,927 8 2
6. Office & Factory Equipment	28,835 7 9	46,623 7 0	8,345 0 0	83,803 14 9	898 0 0	9,179 1 0	10,077 1 0	73,726 13 9
7. Furniture Fixture & Fittings	61,886 12 6	68,390 0 9	15,793 12 1	1,46,071 1 4	736 0 0	5,790 2 0	6,526 2 0	1,39,544 15 7
8. Library	3,601 15 3	3,095 3 6	..	6,697 2 9	.	..	..	6,697 2 9
	36,07,536 3 8	1,19,03,768 1 5	18,87,471 12 1	1,73,98,776 1 [illegible]	8,942 0 0	1,19,924 8 0	1,28,866 8 0	1,72,69,909 9 2

BHARAT ELECTRONICS (PRIVATE) LIMITED

MANUFACTURING AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1956

1954-55 Rs. As. P.		1955-56 Rs. As. P.
	To Direct Material	1,00,087 5 0
	Direct Labour	34,140 7 0
	Direct Expenses	1,21,551 13 0
	Applied Over-heads	91,116 13 0
	TOTAL	3,46,896 6 0

1954-55 Rs. As. P.		Rs. As. P.	Rs. As. P.	1955-56 Rs. As. P.
	By cost of manufacture transferred to :			
	CAPITAL WORKS :			
	Furniture & Fixture		13,234 14 0	
	Machinery		20,662 6 0	
	Buildings		1,19,252 6 0	
	Vehicles		15,845 14 0	
				1,68,995 8 0
	SERVICE			3,610 12 0
	WORKS-IN-PROGRESS			
	Capital : Building under construction	80,627 4 0		
	Machinery erection	30,840 15 0		
			1,11,468 3 0	
	Production		62,821 15 0	
				1,74,290 2 0
	TOTAL			3,46,896 6 0

1954-55 Rs. As. P.	To	1955-56 Rs. As. P.
5,53,449 4 6	Salaries & allowances (including Managing Directors' Salary Rs. 36,000/-)	12,69,934 13 3
3,663 11 6	Electricity & Water charges	75,543 13 0
7,440 3 0	Postage, Telegrams & Telephones	12,700 13 3
7,710 12 0	Printing and Stationery	28,293 1 3
2,316 3 0	Rent, Rate & Taxes	4,272 13 0
662 3 0	Carriage (Unallocated)	182 3 6
44,946 0 6	Travelling Expenses (including passages)	95,575 8 0

1954-55 Rs. As. P.	By	1955-56 Rs. As. P.
12,809 9 3	Interest	38,369 7 3
1,779 1 0	Rent Receipts	13,933 1 0
3,524 15 0	Transport Receipts (Deducted per contra from Vehicles Maintenance)	..
1,624 6 0	Miscellaneous Receipts	9,848 4 3
6,65,597 6 7	Net Loss carried to Balance Sheet	16,29,165 12 8

Previous year Rs. a. p.	Particulars	Rs. a. p.	Rs. a. p.	Rs. a. p.	Particulars	Rs. a. p.
8,552 2 8	General Expenses (inclusive of Medical Expenses. Staff Uniforms and other Micellaneous Administrative Expenses)		18,604 10 2			
6,28,740 8 2	Carried Forward		15,05,107 11 5	6,85,335 5 10	Carried Forward	16,91,316 9 2
6,28,740 8 2	Brought Forward . . .		15,05,107 11 5	6,85,335 5 10	Brought Forward	16,91,316 9 2
13,385 14 0	To Expenses charged by Government of India		31,392 11 0			
6,643 0 6	Advertisement. Subscriptions periodicals, etc. .		13,535 1 6			
11,248 10 0	Watch & Ward Expenses (MES)		..			
2,129 9 4	Stores issued to Training Centre .		21,808 – 0			
2,051 8 0	Director's Fees & Travelling Allowances .		4,007 4 0			
500 0 0	Legal & Audit Fee . . .		2,427 0 0			
	Repairs & Maintenance :					
1,952 9 9	Buildings . .	50,442 14 0				
..	Machinery . .	14,025 0 0				
			64,467 14 0			
9,741 10 1	Upkeep & Maintenance of Vehicles	35,180 3 6	22,066 1 6			
	Less Receipts . .	13,114 2 0				
8,942 0 0	Depreciation		1,17,621 3 0			
6,85,335 5 10	TOTAL		17,82,433 6 2	6,85,335 5 10		
	Less :					
	Applied Overheads		91,116 13 0			
	Unabsorbed Overheads		16,91,316 9 2		TOTAL	16,91,316 9 2

K. N. NAIR,
CONTROLLER OF FINANCE

A. K. GHOSH,
MANAGING DIRECTOR

M. K. VELLODI,
CHAIRMAN

(Sd./) M. K. DANDEKER & CO.,
Chartered Accountants.

DIRECTORS
1. Shri S. Ratnam. 2. Dr. K. S. Krishnan. 3. Dr. M. B. Sarwate. 4. Major General S. D. Verma. 5. Sir Vithal N. Chandavarkar. 6. Shri S. M. Ramakrishna Rao. 7. Shri S. L. Kumar.

JALAHALLI :

Bangalore 20th September 195

HINDUSTAN AIRCRAFT

BALANCE SHEET

CAPITAL AND LIABILITIES

	Rs.	Rs.	As at March 31st 1955 Rs.
CAPITAL			
AUTHORISED CAPITAL			
4,00,000 Shares of Rs. 100/- each	4,00,000		4,00,00,000
ISSUED CAPITAL			
3,74,999 Shares of Rs. 100/- each for payment in cash	3,74,99,900		3,74,99,900
5,250 Shares of Rs. 100/- each for allotment as fully paid up Shares by appropriation of dividends	5,25,000		5,25,000
	3,80,24,900		3,80,24,900
SUBSCRIBED AND CALLED-UP CAPITAL			
3,80,249 Shares of Rs. 100/- each fully paid up		3,80,24,900	3,80,24,900
GENERAL RESERVE			
Balance as per last Balance Sheet	25,00,000		23,57,545
Amount transferred from Profit & Loss Account	..		1,42,455
		25,00,000	25,00,000
PROVISION FOR DEPRECIATION (Details as per Schedule 'B')		1,68,52,906	1,38,57,038
PROVISION FOR REPAIRS AND RENEWALS		8,97,499	8,97,499
PROVISION FOR RESEARCH AND DEVELOPMENT			
Balance as per last Balance Sheet	15,00,000		7,25,000
Amount transferred from Profit & Loss Account	.		7,75,000
		15,00,000	15,00,000
PROVISION FOR BAD AND DOUBTFUL DEBTS		13,44,478	13,44,478
LOANS			
Loans from Government of India (Secured on Mortgage of properties)	77,00,774		87,00,774
Loans from Government of India (Secured under Subsidised Industrial Housing Scheme	1,89,000		2,02,500
Interest Accrued on Secured Loans	4,95,960		5,42,585
		83,85,734	94,45,859
PROVISION FOR GRATUITY TO EMPLOYEES		59,81,506	52.88,853
PROVISION FOR TAXATION			
Balance as per last Balance Sheet	4,60,276		5,05,757
Less—Payment against Assessment	..		45,481
		4,60,276	4,60,276
LIABILITIES			
For goods and Services	73,81,201		82,70,753
For Salaries and Wages and Expenses	17,80,283		18,99,318
Accrued Leave Salaries and Contractual Obligations	8,28,844		8,79,635
Sales Tax	6,82,671		4,45,874
Sundry Accounts—Credit Balances	7,29,266		11,03,684
		1,14,02,265	1,25,99,264

(PRIVATE) LIMITED, BANGALORE

as at 31st MARCH 1956

Property and Assets

	Rs.	Rs.	Rs.	As at 31st March 1955 Rs.
FIXED CAPITAL EXPENDITURE at Cost (Details as per Schedule 'A'				
Land—Excluding Aerodrome Site (Non-depreciable)			2,94,987	2,94,987
Factory and Residential Buildings			99,37,880	95,46,270
Plant and Machinery and Factory Equipment			1,34,05,751	1,24,52,585
Aeroplanes			1,72,253	37,275
Aerodrome Site and Runways			7,00,318	7,00,318
Roads and Drains (Non-depreciable)			6,35,912	5,46,874
Water Supply			5,20,428	4,55,707
Assisted Railroad Siding			4,06,774	4,06,774
Office Furniture and Equipment			7,28,517	6,81,984
			2,68,02,820	2,51,22,774
DEFERRED EXPENSES				
Development Expenditure				
'V' Projects	72,584			99,952
Other Projects	8,07,208			3,45,383
		8,79,792		4,45,335
Gratuity to Employees—Accrued for the period prior to 1953-54.				
Balance as per last Balance Sheet	23,71,755			31,62,340
Less—Written off during the year	7,90,585			7,90,585
		15,81,170		23,71,755
			24,60,962	28,17,090
STORES AND SPARE PARTS—As per Company's Valuation				84,59,753
'V' Project Materials		57,21,713		2,04,60,476
Other Materials		1,77,68,551		
				2,89,20,229
			2,34,90,264	
GOODS-IN-TRANSIT				
'V' Project Materials		26,04,119		6,24,017
Other Materials		5,73,881		12,14,676
			31,78,000	18,38,693
LOOSE TOOLS AND EQUIPMENT				
'V' Project		30,13,480		37,59,143
Other Projects		7,79,602		9,37,611
Hand Tools and Equipment		25,85,032		22,72,204
			63,78,114	69,68,958
TRANSPORT VEHICLES—at Cost (Details as per Schedule 'A')			28,55,694	18,51,896
WORK- IN-PROGRESS				
'V' Project		88,34,547		75,00,088
Others		1,39,60,308		1,55,31,223
			2,27,94,855	2,30,31,311
BOOK-DEBTS—				
Sundry Debts Unsecured Considered good		1,56,85,944		1,47,77,198
Sundry Debts—Considered doubtful		10,78,406		11,93,529
			1,67,64,350	1,59,70,727

HINDUSTAN AIRCRAFT

BALANCE SHEET

CAPITAL AND LIABILITIES

			As at 31st March 1955
ADVANCE PAYMENTS	Rs.	Rs.	Rs.
Payments by D.G., I.S.D. U. K. for 'V' Project	1,66,54,799		1,65,76,825
Other Advances and Deposits . . .	83,34,326		79,99,827
Security Deposits by Employees . . .	72,115	..	70,926
		2,50,61,240	2,46,47,578
PROFIT AND LOSS ACCOUNT			
Balance as per last Balance Sheet . . .	6,27,882		11,93,394
Less—Transferred to General Reserve . .	..		1,42,455
	6,27,882		10,50,939
Less—Transferred to Provision for Research and Development	..		7,75,000
	6,27,882		2,75,939
Profit during the year	6,58,249		3,51,943
		12,86,131	6,27,882
TOTAL .		Rs. 11,36,96,935	11,11,93,627

(Sd.) FRASER & ROSS,
Chartered Accountants.

(PRIVATE) LIMITED, BANGALORE—*contd.*

AS AT 31ST MARCH 1956—*contd.*

PROPERTY AND ASSETS

	Rs	Rs.	As at 31st March 1955 Rs.
ADVANCES.—			
Advance Payments to Suppliers—' V ' Project—through D. G., I. S. D, U. K.	23,87,784		20,13,988
Other Suppliers	28,24,801		12,78,809
Deposits with Public utility Concerns	31,0c6		31,568
Prepaid Expenses and other Advances	4,26,071		4,68,39
		56,69,662	37,92,763
ADVANCE PAYMENT AGAINST TAXES		1,04,672	..
CASH AND OTHER BALANCES.—			
Cash on hand	20,165		29,813
In Current Account with Banks	30.72,877		6,68,115
On Short Term Deposit with Bank	.		1,00,000
Dollar Cash—In Current Account with Bank in U. S. A.	33,479		12,630
		31,26,521	8,10.558
ASSETS EARMARKED AGAINST EMPLOYEES' ACCOUNTS.—			
Cash Security Deposits of Employees in Thrift Deposit Account with the Bank of Mysore, Limited, Bangalore		71,021	68,6288
TOTAL		11,36,96,935	11,11,93,627

S. RATNAM, *Director.*
K. NARAYANASWAMY, *Director.*
J. R. D. TATA, *Director.*
S. MUKERJEE, *Director.*
M. K. VELLODI, *Chairman.*
J. M. SHRINAGESH, *Director.*

HINDUSTAN AIRCRAFT (PRIVATE) LIMITED

Schedule attached to and forming Part of the Balance Sheet as at 31st March, 1956

Schedule 'A'—Fixed Capital Expenditure—at Cost

Description	Balance as on March 31, 1955	Additions	Deductions		Balance as on March 31, 1956	*Add*—Work in Progress as on March 31st, 1956	Total
			Write Offs	Sold			
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land—Excluding Aerodrome Site	2,94,987	..	..	..	2,94,987	..	2,94,987
Factory and Residential Buildings	83,69,702	12,80,300	31,451	..	96,18,551	3,19,329	99,37,880
Plant and Machinery and Factory Equipment	1,22,71,149	9,34,860	615	2,639	1,32,02,755	2,02,996	1,34,05,751
Aeroplanes	37,275	1,34,978	..	..	1,72,253	..	1,72,253
Aerodrome Site and Runways	7,00,318	..	..	..	7,00,318	..	7,00,318
Roads and Drains	5,27,570	77,467	..	..	6,05,037	30,875	6,35,912
Water Supply	4,27,840	89,701	..	..	5,17,541	2,887	5,20,428
Assisted Railroad Siding	4,06,774	..	..	..	4,06,774	..	4,06,774
Office Furniture and Equipment	6,81,427	47,498	408	..	7,28,517	..	7,28,517
TOTAL BLOCK ASSETS	2,37,17,042	25,64,804	32,474	2,639	2,62,46,733	5,56,087	2,68,02,820
Transport Vehicles	18,37,245	10,03,356	10,164	..	28,30,437	25,257	28,55,694
TOTAL	2,55,54,287	35,68,160	42,638	2,639	2,90,77,170	5,81,344	2,96,58,514

SCHEDULE ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 1956

Schedule 'B'— Provision for Depreciation

Description	Balance as on March 31, 1955	Additions	Deductions		Balance as on March 31, 1956	Development Rebate: Initial Depreciation and Extra Allowance		Total
			On Write Offs	On Assets Sold		As on March 31, 1955	Additions	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land—Excluding Aerdrome Site	..	..	..	..	..	..	..	..
Factory and Residential Buildings	15,12,694	3,20,806	15,826	..	18,17,674	12,66,013	2,85,880	33,69,567
Plant and Machinery and Factory Equipment	54,23,019	10,37,510	579	1,448	64,58,502	31,71,378	7,07,263	1,03,37,143
Aeroplanes	3,750	17,844	..	..	21,594	..	..	21,594
Aerodrome Site and Runways	1,49,417	34,839	..	..	1,84,256	..	..	1,84,256
Roads and Drains	..	..	..	..	..	..	..	..
Water Supply	73,769	26,793	..	..	1,00,56[illegible]	1,23,824	44,535	2,68,921
Assisted Railroad Sidings	2,30,433	12,344	..	..	2,42,777	..	..	2,42,777
Office Furniture and Equipment	2,87,240	34,092	250	..	3,21,082	23,484	10,464	3,55,030
TOTAL DEPRECIATION ON BLOCK ASSETS	76,80,322	14 84,228	16,655	1,448	91,46,447	45,84,699	10,48,142	1,47,79,288
Transport Vehicles	11,68,709	1,86,315	10,164	..	13,44,860	4,23,308	3,05,450	20,73,618
TOTAL	88,49,031	16,70,543	26,819	1,448	1,04,91,307	50,08,007	13,53,592	1,68,52,906

HINDUSTAN AIRCRAFT

Profit and Loss Account for the year

	Rs.	Rs.	Previous Year Rs.
TO STOCK AS AT APRIL 1, 1955	2,89,20,229		2,98,96,286
PURCHASES including "V" Project Materials	1,99,93,517		2,55,97,964
	4,89,13,746		5,54,94,250
Less—STOCK AS AT MARCH 31, 1956	2,34,90,263		2,89,20,229
	2,54,23,483		2,65,74,021
Less—Materials Charged to Operating Expenses below and issued to Capital Works and other Accounts	31,69,628		31,92,215
TO DIRECT MATERIALS FOR JOBS AND MISCELLANEOUS WORK		2,22,53,855	2,33,81,806
" WORK IN PROGRESS AT APRIL 1, 1955		2,30,31,311	2,41,18,378
DIRECT EXPENSES FOR JOBS AND MISCELLANEOUS WORK		33,65,842	31,97,471
" SALARIES AND WAGES—including Salaray of General Manager & Managing Director Rs. 54,108/-.	1,59,18,720		1,49,11,344
" PROVISION FOR ACCRUED LEAVE AND CONTRACTUAL OBLIGATIONS	4,90,849		4,84,758
" PROVISION FOR GRATUITY TO EMPLOYEES	15,18,587		14,76,153
" CONTRIBUTION TO PROVIDENT FUND	9,16,082		8,40,058
" CONTRIBUTION TO GOVERNMENT LABOUR WELFARE SCHEMES	1,24,405		1,14,902
" BONUS AND PRIZES	6,63,462		4,61,766
" SHOP SUPPLIES	5,08,211		4,84,910
" MISCELLANEOUS OPERATION EXPENSES	30,81,988		29,82,764
" REPAIRS AND MAINTENANCE—Excluding Salaries and Wages	6,98,204		5,73,489
" RENT RATES TAXES AND INSURANCE	4,87,489		3,62,723
" TRAVELLING	3,75,986		2,39,755
" POSTAGE TELEGRAMS AND TELEPHONES	69,799		56,543
" LEGAL AND AUDIT	8,433		9,140
" DIRECTORS' FEE AND TRAVEL EXPENSES	1,797		1,230
" SALES TAX	..		5,626
" DEPRECIATION	30,14,848		27,68,620
" INTEREST ON LOANS AND ADVANCES	4,19,698		4,45,615

(PRIVATE) LIMITED, BANGALORE

ended 31*st* *March*, 1956.

	Rs.	Rs.	Previous year Rs.
BY SALES—			
Aircraft Assembly and Manufacture	1,59,03,409		2,03,35,900
Aircraft Overhaul	51,27,664		31,97,176
Engine and Accessories Overhaul	64,16,002		41,98,611
Outstations, Projects and Miscellaneous—Aircraft	71,94,649		54,56,727
Rail-coach Manufacture	1,60,67,704		1,60,76,577
Bus Body Manufacture	13,34,026		28,94,120
Miscellaneous—Commercial	42,307		18,842
		5,20,85,761	5,21,77,953
OTHER INCOME			
Transportation	7,16,600		5,92,366
Sale of Scrap	2,34,755		2,30,867
Interest	26,460		85,444
Miscellaneous	2,00,230		3,03,589
		11,78,045	12,12,266
„ INCOME FROM WELFARE UNITS BY AERODROME RESTAURANT		8,78,604	9,08,468
„ WORK IN PROGRESS AS AT MARCH 31, 1956		2,30,37,365	2,30,31,311

HINDUSTAN AIRCRAFT

Profit and Loss Account for the year

	Rs.	Rs.	Rs.
TO EXPENSES OF WELFARE UNITS AND AERODROME RESTAURANT . .	8,35,196		9,12,051
TO CAPITAL ASSETS WRITTEN OFF .	15,856		66,507
	2,91,49,610		2,71,97,954
Less—EXPENSES ALLOCATED TO CAPITAL WORKS AND OTHER ACCOUNTS .	12,79,102		9,24,557
		2,78,70,508	2,62,73,397
TO BALANCE CARRIED TO BALANCE SHEET		6,58,249	3,51,943
TOTAL .		7,71,79,765	7,73,22,995

Report of the Auditors to the Members of Hindustan Aircraft (Private) Limited

We have audited the Balance Sheet of Hindustan Aircraft (Private) Limited as at 31st March 1956 and the Profit and Loss Account for the year ended on that date from both of which annas and pies have been eliminated and have obtained all the information and explanations we have required.

In our opinion such Balance Sheet and Profit and Loss Account are drawn up in conformity with the Law and the Balance Sheet exhibits a true and correct view of the state of the Company affairs according to the best of our information and explanations given to us and as shown by the books of the Company. We are further of the opinion that books of account have been kept as required by Law.

BANGALORE ;

Dated 22nd September, 1956.

FRASSER & ROSS,

Chartered Accountants.

(PRIVATE) LIMITED, BANGALORE—*contd.*

ended 31*st March*, 1956—*contd.*

	Rs.	Rs.
TOTAL .	7,71,79,765	7,73,22,995

S. MUKERJEE,
Director.

J. R. D. TATA,
Director.

M. K. VELLODI,
Chairman.

K. NARAYANASWAMY
Director.

S. RATNAM,
Director.

J. M. SHRINAGESH,
Director.

DELHI STATE

Balance Sheet as

CAPITAL & LIABILITIES

	Rs.	A.	P.	Rs.	A.	P.
DEBENTURES AND LOANS						
Debentures :—						
(Secured by a charge over the assets of the Board in favour of the Government of India.)						
Bearing Interest @ 4%	33,80,000	0	0			
„ @ 4½%	3,50,000	0	0			
„ @ 3¾%	26,70,000	0	0			
„ @ 3½%	2,50,50,000	0	0			
„ @ 3½%	1,32,00,000	0	0			
Unsecured Loan from Government of India @ 4½%	1,49,00,000	0	0			
				5,95,50,000	0	0
Capital Redemption Reserve				4,00,000	0	0
Reserve for Services						
Consumers Contribution for service line. . .				31,88,333	9	9
Reserves						
General Reserve	30,84,448	2	0			
Tariff & Development Reserve	16,87,119	11	1			
				47,71,567	13	1
Reserve for Depreciation on assets . . .	1,10,43,669	6	0			
RESERVE ON RIVER EMBANKMENT (Per Contra.)	4,65,553	0	0			
				1,15,09,222	6	0
Other Reserves						
Investment Reserve	10,257	4	0			
Reserve for Doubtful Debts	29,299	2	9			
				39,556	6	9
Provision for Income Tax	15,00,000	0	0			
„ „ Leave Salary	2,00,000	0	0			
„ „ Gratuity	3,62,485	9	0			
				20,62,485	9	0
TOTAL CARRIED OVER . .				8,15,21,165	12	7

ELECTRICITY BOARD

on 31-3-1956

PROPERTY & ASSETS

		Rs. A. P.	Rs. A. P.
CAPITAL AMOUNT EXPENDED ON WORKS VIDE SCHEDULE 'B'			6,24,64,905 4 10
Works in progress			
Projects		82,81,657 11 0	
Miscellaneous works against Deposit Received		3,85,410 11 0	86,67,068 6 0
Advances for Purchase of Generating Plants			20,00,000 0 0
River Embankment			
Depreciation 95% provided per contra			4,90,056 0 0
Stores in hand at cost			
Coal		7,41,010 9 5	
Stores		77,34,324 5 2	84,75,334 14 7
Book Debts (Unsecured Considered good)			
Consumers		32,32,106 9 0	
Miscellaneous Debts		4,976 4 6	
D.R.T.A.			
Cost of Traction Assets	10,30,754 9 0		
Interest thereon	2,31,920 3 0		
On Current Account	22,181 0 1	12,84,855 12 1	
Income Tax Recoverable		5,889 6 0	
Suppliers at Debit		13,24,865 3 9	
Advance to Staff		16,657 12 9	
Suspense		8,445 9 9	
Claims		5,910 7 9	
Sundry Deposit			
Deposit with other Authorities		79,403 10 6	59,63,110 12 1
Advance Deposit of Income Tax			
Under Section 18A of the Indian Income Tax Act			6,89,040 0 0
Interest Accrued & Outstanding			20,661 2 0
TOTAL CARRIED OVER			8,87,70,176 7 6

DELHI STATE

Balance Sheet as

CAPITAL & LIABILITIES

	Rs.	A.	P.	Rs.	A.	P.
TOTAL BROUGHT FORWARD				8,15,21,165	12	7
Sundry Liabilities						
Consumer's security deposit				30,71,872	12	9
For payment to Government Revenue . .	8,99,937	8	10			
Liabilities for goods supplies	48,95,141	1	3			
Due for expenses & services	8,170	0	0			
Due to Provident Fund	55,142	0	3			
Unpaid Wages	1,96,270	14	0			
Other Credit Balances including Deposit received against work	23,57,784	13	1			
				84,12,446	5	5
Suspense	15,870	7	3			
Contractors Security Deposit (partly invested per contra)	73,597	11	6			
Staff Security Deposit (Partly invested per contra)	23,802	14	0			
Earnest Money	69,709	4	6			
				1,82,980	5	3
TOTAL . .				9,31,88,465	4	0

(Sd.) S. Y. RAMASWAMI,

Senior Accounts Officer, 19-11-1956.

ELECTRICITY BOARD

on 31-3-1956

PROPERTY & ASSETS

	Rs.	A.	P.	Rs.	A.	P.
TOTAL BROUGHT FORWARD				8,87,70,176	7	6
Investment						
3% 1957 Victory Loan Rs. 3,68,000 Face Value	3,76,067	14	0			
3% Fund Loans Rs. 75,000 Face Value . .	75,843	12	0			
3½% National Plan Bond Rs. 5,00,000 Face Value	4,91,250	0	0			
3½% Treasury Saving Deposit . . .	18,000	0	0			
				9,61,161	10	0
Post Office Saving Certificates . . .	13,550	0	0			
Post Office Saving Certificates (Contractors) .	25,000	0	0			
Post Office Saving Certificates (Staff Security Deposit)	20,302	14	0			
Savings Bank Account (Staff Security Deposit Invested)	1,000	0	0			
				59,852	14	0
Prepaid Expenses				70,714	4	3
Cash with Bankers and in Hand with State Bank of India, Delhi						
On Short Term Deposit	5,00,000	0	0			
On Current Account	28,24,189	14	0			
				33,24,189	14	0
Imprest with Staff	150	1	6			
Cash in Hand	2,220	0	9			
				2,370	2	3
TOTAL Rs.				9,31,88,465	4	0

(Sd.) V. SAHAI & Co.,

Chartered Accountants, 19-11-1956.

DELHI STATE

Revenue Account for the year

	Rs.	A.	P.	Rs.	A.	P.
1. *GENERATION OF ELECTRICITY*						
(i) To *Operation Expenses*						
Salaries of Supervisory Staff	90,264	5	0			
Salaries & Wages	5,54,749	4	0			
Coal Liquidfuel & Furnace oil	55,90,961	4	10			
Lubrican's & Other Consumable Stores	84,098	15	6			
Water	38,653	5	7			
Miscellaneous Expenses	2,236	14	3	63,60,964	1	2
(ii) To *Repairs & Maintenance*						
Salaries of Supervisory Staff	40,766	13	0			
Salaries & Wages of Labourers	3,53,052	8	0			
Repairs & Maintenance of Bldgs. etc.	10,764	2	8			
Repairs to Boilers, furnaces, Steam pipes etc.	73,433	10	9			
Repairs to Engine, Turbines, Generators etc.	88,341	4	4			
Repairs, Maintenance of other Civil Works	49	14	0	5,66,408	4	9
(iii) To *Hire Charges of Packet Set 1—2500 K.W.*				1,18,049	0	0
(iv) To *Energy Purchased*				14,29,334	6	0
(v) To *Distribution Expenses Bulk Supply*						
Salaries of Supervising Staff	23,559	15	0			
Wages	73,855	7	6			
Miscellaneous Expenses	62,104	1	6	1,59,519	8	0
(vi) To *Distribution Expenses Retail*						
Salaries of Supervisory Staff	2,55,305	3	3			
Salaries & Wages of sub-Station & Mains	8,35,754	1	7			
Supplies & Miscellaneous Substations	55,134	15	0			
Supplies & Miscellaneous of Mains	3,53,047	0	3	14,99,241	4	1
(vii) To *Public Lighting*						
Salaries of Supervisory Staff	12,179	14	9			
Salaries and Wages of Labour	91,134	10	9			
Replacement of Lamps & Other Expenses	30,618	5	3	1,33,932	14	9
(viii) To *Collection Charges*						
Salaries & Wages	5,54,328	6	9			
Miscellaneous Expenses	9,025	14	6	5,63,354	5	3
Total Carried Over				1,08,30,803	12	0

ELECTRICITY BOARD

ended 31st March, 1956

	Rs.	A.	P.	Rs.	A.	P.
By *Sale of Energy—Bulk and Retail*				1,78,42,917	1	5
By *Rental of Meters*				3,08,549	4	6
By *Rent from Buildings*				33,172	15	0
By *Interest*						
Government Securities & Miscellaneous . .	97,752	0	0			
Less Income Tax	8,082	6	0			
				89,669	10	0
By *Miscellaneous Receipts*						
Lighting & Others				1,96,443	11	7
Total Carried Over				1,84,752	10	6

DELHI STATE

Revenue Account for the year

	Rs. A. P.	Rs. A. P.
Total brought forward	1,09,30,803 12 0	
(ix) To *General Expenses*		
Salaries—Officers & Executives	71,217 0 3	
Salaries—Other Staff	6,49,102 10 6	
Travelling & Conveyance Allowance	9,261 9 0	
Rent, Rates & Taxes	69,452 4 6	
General Office Expenses	64,185 1 0	
Audit Fee	6,000 0 0	
Law Charges	13,836 1 0	
Fire & Other Insurance Charges	11,726 15 0	
Postage & Telegrams	25,066 8 9	
Printing & Stationery	73,633 1 6	
Advertisements	22,228 2 6	
Medical Expenses	48,033 6 0	
Labour Welfare Expenses	11,353 12 9	
Maintenance of Vehicles	1,40,626 13 4	
Maintenance of Buildings	45,834 0 6	
Maintenance of Workshop	2,350 0 0	
Telephone Charges	34,457 0 0	
Uniforms	73,884 11 3	
WORKMAN Accident Compensation	3,659 3 0	
Interest on Consumers Deposit	41,415 9 9	
Subsidy to Primary School	6,112 13 6	14,23,436 12 1
(x) To *Ex-gratia to Employees (2 years)*		2,59,698 3 0
(xi) To *Administration Expenses*		
Remuneration to Members	68,378 0 0	
Board's Establishment	25,972 1 0	94,350 1 0
(xii) To *Provision for Gratuity*		75,000 0 0
(xiii) To *Other Expenses*		
Bad Debts written off	600 0 0	600 0 0
(xiv) To *Transfer to Depreciation Reserve*		16,10,778 0 0
(xv) To *Interest on Loan from Government*		20,78,694 7 0
(xvi) To Net Surplus Transferred to Appropriation A/c Attached		20,97,391 7 5
TOTAL		1,84,70,752 10 6

(Sd.) S. Y. RAMASWAMI,
Senior Accounts Officer.
19-11-56.

ELECTRICITY BOARD

ended 31st March, 1956

	Rs.	A.	P.
TOTAL Brought Forward	1,84,70,752	10	6
TOTAL	1,84,70,752	10	6

As per our report of even date

(Sd.) V. SAHAI & CO.,
Chartered Accountants.

19-11-56.

DELHI STATE

Net Revenue Appropriation Account

	Rs.	A.	P.			
(i) To *Contribution to General Reserve* . .	6,20,000	0	0			
(ii) To *Contribution to Tariff and Development Reserve* .	4,88,695	11	9			
(iii) To *Transfer to Taxation Reserve* . .	5,00,000	0	0			
(iv) To *Contribution to State Revenues* .	4,88,695	11	8			
				20,97,391	7	5
TOTAL . .				20,97,391	7	5

(Sd.) S. Y. RAMASWAMI,

Senior Accounts Officer.

19-11-56.

ELECTRICITY BOARD

for the year ending 31st March, 1956

	Rs.	A.	P.
By Net Revenue brought forward from Revenue Account	20,97,391	7	5
TOTAL	20,97,391	7	5

As per our report of even date.

(Sd.) V. SAHAI & CO.,

Chartered Accountants.
19-11-56.

STATEMENT OF ASSETS AND

National Instruments Factory,

31-3-55 Rs.		Rs.	31-3-1956 Rs.	31-3-1956 Rs.
	CAPITAL AND LIABILITIES :			
	1. Government Capital :—			
35,93,921	Government Capital on 31-3-55 as per last Balance Sheet	4,72,90,125		8,60,458
29,38,922	Add (i) Withdrawals during the year (43—I&S) & 72—Capital Outlay	39,79,351		..
1,13,434	(ii) Adjustments during the year	2,527		55,358
1,81,850	(iii) Proforma charges during the year	2,21,404		
68,28,127		89,22,307		5,62,810
21,20,606	Less (i) Remittances during the year	19,70,007		11,27,126
	(ii) Adjustments during the year	77,869		11,27,129
47,07,521		68,74,431		58,596
21,504	Add (i) Profit during the year	..		
	Deduct (i) Loss during the year	12,96,711	55,77,720	—8,744
47,29,025	2. Amount due by Factory on 31-3-56—			
	SUNDRY CREDITORS :			
1,53,574	(a) Salary and Wages Account (Wages of 3/56 paid in 4/56)	1,56,237		
73,545	(b) (i) Local and Central Supplies	1,16,489		—1,41,495 (Depr.)
17,521	(ii) Purchase of machineries	17,521		24,698
..	(iii) Purchase of medical stores	419	2,90,666	25,38,807
35,06,551	(c) Outstanding debit of Defence Deptt. for Assets taken over on 1-9-47		35,06,551	
5,195	(d) (i) Sales tax payable to West Bengal Govt.	2,488		7,24,369 9,84,911
	(ii) Stipend money of Min. of Education not disbursed during the year included in cash balance	1,950	4,438	7,24,676 1,40,306 5,135 33,254
600	(c) Re-organisation:—			
	(i) Purchase of Machinery	41,157		
	(ii) Purchase of stores	183	41,340	1,32,248 3,80,488
	(f) (i) Liquidated damages recovered from the suppliers for belated delivery of stores	7,940		5,53,007 19,37,247 8,335 1,97,248
	(ii) Departmental adjustment made in 1956-57 against receipt of stores	276	8,216	2,642
				9,217 1,18,366 754
84,88,010			94,28,931	84,88,010

*NOTE :—This amount is payable subject to adjustment of outstanding debit of Rs. 7,93,982 in addition to the amount shown under V (iv) on the Assets side against Defence Deptt. for Fixed & Current Assets taken over on 1-5-41 from the Department of E. & H. L. and or subsequently transferred, decision on which is pendi :

LIABILITIES AS ON 31-3-1956

15, *Wood Street, Calcutta*—16

	(As per Book Value on 1-4-55. (cost)	Depreciation Rs.	31-3-56 Net Rs.
PROPERTY AND ASSETS			
I. *FIXED ASSETS* :			
(i) Land	8,60,458		
Less adjustment of cost during the year	14,220		8,46,238
(ii) Buildings	6,18,168		
Cost of addition during the year	14,70,079		20,88,247
(iii) Machinery	10,35,483		
Cost of addition during the year	83,302		
	11,18,785		
Less value of machinery sold and discarded during the year	48,127		
	10,70,658	66,658	10,04,000
(iv) Other items	24,698	1,541	23,157
		68,199	39,61,642
II. *CURRENT ASSETS* :			
(1)(i) Finished and Repairable stock (at cost)		4,91,530	
(ii) Components (at cost)		9,44,288	
(iii) Raw materials "		8,73,786	
(iv) Tools "		1,39,108	24,48,712
(2) Re-organisation Stores (at cost)			5,201
(3) Finished Semi Stores "			32,975
(4) Work in Progress :—			
(a) Labour		1,07,823	
(b) Material		3,47,184	
(c) On cost		4,65,329	9,20,336
(5) Sundry Debtors			16,19,235
III. *CASH IN HAND.*			10,627
IV. *PRELIMINARY EXPENSES:*		2,68,304	
V. *OUTSTANDING ASSETS* :			
(i) Advance for purchase of stores machineries		29,879	
(ii) Deposits for Telephone under 'Own Your Telephone' Scheme		2,500	
(iii) Sale proceeds of machinery		9,217	
(iv) Value of machinery transferred, broken down etc. recoverable from Defence Department		1,18,366	1,59,962
VI. *SUSPENSE* :—Excess adjustment of leave salary contribution, purchase of stores, machinery, etc.			1,937
			94,28,931

NATIONAL INSTRUMENTS FACTORY,

Profit And Loss Account

Dr.

Rs.		Rs.	Rs.
187	1. To Issue of stores on Payment Account Amount pertains to free issues	..	..
2,794	2. To Capital Assets Account—		
	(i) Depreciation pertaining to idle machines during the year	3,944	
..	(ii) Depreciation overcharged in the previous years written back in 1954-55 now being charged on account of idle machines	5,059	9,003
7,182	(iii) Depreciation on old M.I.O. Machines	..	
311	(iv) Difference between book value & sale value of machines	..	
2,85,635	3. To Work in Progress Account—		
	(a) Fixed Overhead Expenses underabsorbed	70,340	
	(b) Variable Overhead Expenses underabsorbed	54,839	1,25,179
1,40,453	4. To Manufacture for Fys. Own Stock A/c Difference between cost of production and issue price	4,85,212	
..	5. To Payment Services Account—		
	Difference between cost of production and issue price	21,479	5,06,691
21,504	6. To Balance Account—		
	Net profit transferred	..	..
	7. To Overhead expenses Account—		
	Proportionate direct labour booked as unaccounted for labour included in indirect labour transferred—		
	(a) Unaccounted for labour	1,40,979	
	(b) V.C. underabsorbed due to above	2,11,091	
	(c) F.C. underabsorbed due to above	4,08,375	7,60,445
4,58,066			14,01,318

(Sd.) S. K DUTTA,
Accounts Officer,
National Instruments Factory.
2-1-57.

CALCUTTA—16

For the Year 1955-56

Cr.

Rs.		Rs.	Rs.
665	1. By Stores Cash Purchase Account—		
	(i) Amount of liquidated damages pertaining to purchase of stores	..	
	(ii) Departmental adjustment of receipt of stores against issues	120	
	(iii) Payment against certain imported stores not to be made	3,574	
	(iv) Amount of Security deposits etc. recovered from the suppliers for loss suffered by this Factory & rounding of decimals	1,232	5,226
7,491	2. By Customs Duty Account— Adjustment of Customs Duty	..	
3	3. By Sales Tax Account— Balance transferred		49
59	4. By Re-organisation Expenses Account—		
	(i) Adjustment of Re-organisation Stores .	..	.
	(ii) Profit on sale of machineries during the year		14,418
28,738	5. By Outstanding Assets Account— Break down of machineries and adjustment of depreciation etc.	..	..
7,589	6. By Capital Assets Accounts— Adjustment of depreciation	..	..
1,73,127	7. By Issue of Stores on Payment Account— Excess of sale value over ledger value . .		84,91
1,72,445	8. By Work in Progress Account— Variable expenses over absorbed. . . .	..	
67,941	9. By Payment Services Account— Excess of Issue price over cost of production .	..	
	10. By Balance Account . . . . . Net loss transferred	12,96,711	
4,58,066			14,01,318

(Sd.) P. C. D. E.,
General Manager,
National Instruments Factory

HINDUSTAN CABLES

Balance Sheet as at

31-3-55 Rs.	As.	Ps.			Rs.	As.	Ps.	Rs.	As.	Ps.
			Share Capital Authorised—							
3,00,00,000	0	0	30,000 Ordinary Shares of Rs. 1,000 each.					3,00,00,000	0	0
			Subscribed—							
1,05,30,000	0	0	12,497 Ordinary Shares of Rs. 1,000 each Called up and Fully Paid in Cash.					1,24,97,000	0	0
18,00,000	0	0	*Deposit against shares*					...		
12,085	0	0	*General Provident Fund*					539	12	0
			Contributory Provident Fund—							
8,590	0	0	Employees Contribution.	17,178						
			Less paid off	2,478	14,700	0	0			
8,590	0	0	Provision for Company's Contribution		17,178	0	0	31,878	0	0
17,180	0	0								
			Secured Loan—							
			Loan from Government		33,00,000	0	0			
1,582	10	0	*DAGI & S (as per contra)*		1,071	0	0			
924	2	6	*DAGI & S Advance*		1,435	12	6	33,02,506	12	6
			Unsecured Loan—							
1,000	0	0	Fixed Deposits (Security Deposit)					1,000	0	0
			Claims (as per contra).					7,704	5	0
			Current Liabilities and Provisions—							
6,93,824	2	0	Sundry Creditors including Provisional Sundry Creditors.		3,67,876	0	0			
			Other Liabilities		5,33,924	8	9	9,01,800	8	
			Profit and Loss Account					Nil.		
				Carried over				1,67,42,429	6	3

(PRIVATE) LIMITED

31*st March*, 1956

31-3-55 Rs.	As.	Ps.	*Fixed Assets*	Rs.	As.	Ps.	Rs.	As.	Ps.
72,60,232	6	6	At cost less Depreciation (Details as per Schedule Attached)				75,62,096	13	0
			Investments						
			Investment in Govt. Securities (National Savings Certificate)						
4,185	0	0	G.P. Fund . . .	520	0	0			
7,850	0	0	Provident Fund . . .	31,035	0	0	31,555	0	0
			Current Assets (as per inventories) valued and certified by the Managing Director in respect of items (*i*) to (*vi*)						
8,58,357	3	6	(*i*) Raw Materials and Incidental Raw Materials.	11,54,627	13	0			
82,028	4	3	(*ii*) Miscellaneous Construction Materials.	81,275	10	0			
61,444	1	0	(*iii*) Stores at shops .	77,740	3	0			
...			(*iv*) Stock of Scrap Stores .	81,810	5	0			
7,02,160	8	9	*(*v*) Work-in-Progress .	8,78,961	14	0			
			Finished Goods .	7,59,634	15	3			
15,98,496	5	0	(*vi*) Small Tools .	32,039	2	0			
			(*vii*) Sundry Debtors (unsecured) (considered goods)—						
1,27,255	2	3	(*a*) Govt. Departments .	11,02,211	11	3			
7,241	15	9	(*b*) Private Parties 11,073 10 3 *Less* Claimed but not settled 2,836 0 0	8,237	10	3			
			(*c*) Private Parties doubtful .	155	5	0			
				41,76,694	8	9	41,76,539	3	9
			Less Reserve for Bad and Doubtful Claims receivable as per contra	155	5	0			
			(Claims preferred not yet acknowledged)				7,704	5	0
			Loans and Advances—						
20,80,709	8	9	(*i*) Government Departments .	58,78,031	1	3			
16,96,554	5	0	Less Provisional prices adjusted against goods supplied for which final bills are still awaited .	44,98,614	10	0			
36,032	9	6	(*ii*) Private parties .	13,79,416	7	3			
1,582	10	0	(*iii*) DAGI & S as *per contra* .	26,374	3	0			
1,000	0	0	*Fixed Deposits* (Security Deposit)	1,071	0	0	14,06,861	10	3
							1,000	0	0
			Carried over .				1,31,85,757	0	0

*Estimated amount for which Jobs remain to be executed Rs. 8,98,459 7 0.

HINDUSTAN CABLES

Balance Sheet as at

31-3-55 Rs.		Rs.	A.	P.
	Brought forward	1,67,42,429	6	3
	TOTAL	1,67,42,429	9	3

There is a Contingent Liability for Interest on Advances made by the Government of India upto 9th November, 1952.

(PRIVATE) LIMITED—*contd.*

31*st March*, 1956—contd.

31-3-55 Rs. AS. P.		Rs. AS. P.	Rs. A. P.
	ward		1,31,85,757 0 0
	Cash and E —		
829 15 6	Cash in Ha ied) .	2,342 10 3	
18 2 0	Stamps in Do.)	81 4 3	
6,53,609 14 3	With State Bank of India, Asansol.	31,055 10 6	
6,899 11 6	Do. do. Chittaranjan	66,033 9 0	
2,00,000 0 0	Short Term Deposit with State Bank of India, Asansol	30,00,000 0 0	30,99,513 2 0
	Miscellaneous Expenses and Losses (to the extent not written off)		
8,13,986 3 0	Deferred Revenue account	8,14,498 6 3	
	Less amount written off.	3,57,339 2 0	4,57,159 4 3
		TOTAL Rs.	1,67,42,429 6 3

We have to report that we have audited the Balance Sheet of Hindustan Cables (Private), Ltd. dated the 31st March, 1956 as above set forth and the attached Profit and Loss and Profis and Loss Appropriation Accounts for the year ending 31st March, 1956 with the books and accountt and have obtained all the information and explanations we have required. Loan received from Government under condition of execution of Deed of Hypothecation against Assets of the Company in favour of Government but the Deed has not been executed so far. Subject to the above, in our opinion such Balance Sheet and Profit and Loss and Profit and Loss Appropriation Accounts are drawn up in conformity with the law and the Balance Sheet exhibits a true and fair view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company. In our opinion the books of account have been kept as required by law.

6, CHURCH LANE ; (Sd.) RAY & RAY

Calcutta, the 24*th September*, 1956. *Chartered Accountants.* } Auditors.

HINDUSTAN CABLES

Profit and Loss Account

31-3-55 Rs.	As.	P.		Rs.	A.	P.	Rs.	A.	P.
			To Stock in Hand on 1st April, 1955						
6,84,920	1	6	Raw materials and Incidental Raw Materials.	8,58,357	3	6			
40,301	10	0	Miscellaneous Construction Materials	82,028	4	3			
52,494	12	0	Works-in-Progress . . .	7,02,160	8	9			
			Finished Goods . . .	15,98,496	5	9			
			Stores at Shops . . .	61,444	1	0			
			Small Tools . . .	26,200	12	0	33,28,687	3	3
			„ *Purchases*—						
19,00,685	11	9	Raw Materials and Incidental Raw Materials . . .	52,08,233	4	6			
			Small Tools . . .	8,970	5	0			
1,09,619	3	3	Miscellaneous Construction Materials.	84,893	11	6			
				53,02,097	5	0			
			Less Stores issued for repairs to Plant, Machinery and Building . . .	3,279	10	0	52,98,817	11	0
			„ Salary and Wages (including Rs. 31,837 15 0 paid to Managing Director)—	4,59,989	2	0			
3,38,464	10	0	Less Wages spent for repairs to Plant, Machinery and Building	1,426	1	0	4,58,563	1	0
77,768	15	3	„ Miscellaneous Expenses .				69,430	1	9
3,559	13	0	„ Directors' Fees & Travelling Allowance				3,754	12	0
1,000	0	0	„ Audit Fee . . .				1,250	0	0
9,053	5	0	„ Travelling and Conveyance .				19,197	7	0
5,199	9	3	„ Printing and Stationery .				10,823	1	6
8,963	4	0	„ Postage, Telegrams & Telephone				10,225	14	9
2,726	6	0	„ Insurance . . .				9,697	5	0
168	0	0	„ Rents, Rates and Taxes				234	13	0
2,467	10	3	„ Exhibition Expenses . .				24,808	3	0
7,096	0	0	„ Contribution to Provident Fund				8,588	0	0
29,614	11	0	„ Electric Charges				54,009	6	0
2,477	9	9	„ Commission . . .				1,39,252	15	9
			„ Interest on Loan from Government				71,250	0	0
			„ Workmen and Staff Welfare Expense				1,906	10	0
			„ Estate Development and Maintenance				23,512	6	6
			„ Repairs to Machinery .				5,400	4	6
			„ Repairs to Building .				342	11	0
			„ Reserve for Bad & Doubtful Debts				155	5	0
6,13,039	11	9	„ Depreciation . . .				5,96,609	10	0
				C. O.			1,01,41,516	14	0

(PRIVATE) LIMITED—*contd.*

for the year ended 31st March, 1956

31-3-55 Rs.	AS.	P.		Rs.	A.	P.	Rs.	AS.	P.
			By Sales—						
1,23,881	8	3	Sale of Products	75,53,070	6	3			
148	3	9	,, Miscellaneous Goods and Stores	103	1	9	75,53,173	8	0
			By Miscellaneous Income—						
24,454	0	3	,, Rents, Electric, Furniture, hire & C.	26,366	15	6			
4,364	3	0	,, Miscellaneous Receipts .	2,925	9	3			
			,, Income from Micellaneous Sources	94,332	14	6			
			,, Interest	21,877	14	0	1,45,503	5	3
			By Stock in Hand on 31st March, 1956						
8,58,357	3	6	Raw Materia/s and Incidental Raw Materials.	11,54,627	13	0			
82,028	4	3	Miscellaneous Construction Materials	81,275	10	0			
7,02,160	8	9	*Work-in -Progress . . .	8,78,961	14	0			
15,98,496	5	9	Finished Goods (certified) . .	7,59,634	15	3			
61,444	1	0	Stores at Shops	77,740	3	0			
..			Small Tools	32,039	2	0	29,84,279	9	3
						C. O.	1,06,82,956	6	6

*Estimated amount for which jobs remain to be executed Rs. 8,98,459-7-0.

HINDUSTAN CABLES

Profit and Loss Account

31-3-55 Rs.		Rs.	As.	P.
	Brought forward . . .	1,01,41,516	14	0
	Less Materials, Wages and Overheads debitable to Capital Jobs	65,129		6
		1,00,76,387	4	6
	To Balance Carried to Profit and Loss Appropriation Account	6,06,569	2	0
		1,06,82,956	6	6

(PRIVATE) LIMITED—*contd.*

for the year ended 31*st March,* 1956—contd.

31-3-55 Rs.		
	Brought forward	. Rs. 1,06,82,956 6 6
		Rs. 1,06,82,956 6 6

HINDUSTAN CABLES

Profit and Loss Appropriation Account

	Rs.	As.	P.
To Balance as per last Account	2,48,094	0	0
„ Preliminary Expenses written off	1,136	0	0
„ Deferred Revenue Expenses written off	3,57,339	2	0
	6,06,569	2	0

(PRIVATE) LIMITED—*contd.*

for the year ended 31st March 1956

	Rs.	As.	P.
By Balance from Profit and Loss Account	6,06,569	2	0
	6,06,569	2	0

HINDUSTAN CABLES

Fixed Capital Expenditure

Serial No.	Assets	Total cost as on 31-3-56			Additions during 1955-56			Total cost as on 31-3-56		
		Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P
1	Building, Factory, Foundations Office and Colony and Petty Capital Works . . .	21,36,751	15	9	5,32,918	2	0	26,69,670	1	9
2	Water Supply and Sanitation .	4,22,098	3	9	1,31,365	2	6	5,53,463	6	3
3	Freehold land Development, Roads, Culverts, Walls and Fences, etc., etc.	3,38,108	0	6	52,077	13	0	3,90,185	13	6
4	Electrical Installation . .	2,74,154	7	9	71,864	6	0	3,46,018	13	9
5	Plant, Machinery and Accessories.	43,93,471	10	0	91,375	14	0	44,84,847	8	0
6	Railway siding . . .	2,43,212	0	0	..			2,43,212	0	0
7	Furniture, Fixture, Office Equipment and Factory Equipment etc.	27,481	9	3	10,115	11	0	37,597	4	3
8	Motor Car and Motor Lorry .	39,370	12	0	17,774	5	0	57,145	1	0
9	Fire Fighting Equipments .	18,652	6	0	2,351	14	0	21,004	4	0
10	Telephone Installation . .	4,183	12	0	14,831	9	0	19,015	5	0
		78,97,484	13	0	9,24,674	12	6	88,22,159	9	6

(PRIVATE), LTD.

as on 31st March, 1956.

Depreciations			Balance
Upto 31-3-56	From 1-4-55 to 31-3-56	Total	
Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
90,635 9 0	86,421 10 9	1,77,057 3 9	24,92,612 14 0
38,083 1 0	29,536 6 3	67,619 7 3	4,85,843 15 0
21,340 0 0	20,036 0 6	41,376 0 6	3,48,809 13 0
26,018 2 0	26,125 7 9	52,143 9 9	2,93,875 4 0
4,39,104 0 0	4,06,836 0 0	8,45,940 0 0	36,38,907 8 0
30,219 1 6	14,909 8 6	45,128 10 0	1,98,083 6 0
2,989 11 9	2,503 12 6	5,493 8 3	32,103 12 0
13,932 5 0	7,441 14 0	21,374 3 0	35,770 14 0
1,131 4 3	1,957 10 9	3,088 15 0	17,915 5 0
..	841 3 0	841 3 0	18,174 2 0
6,63,453 2 6	5,96,609 10 0	12,60,062 12 0	75,62,096 13 0

HINDUSTAN MACHINE

Balance Sheet as at

Rs.	CAPITAL AND LIABILITIES	Rs.	Rs.
As at 31st March 1955			
	Capital :		
	AUTHORISED : 1,20,000 Ordinary Shares, Rs. 1,000/- each	12,00,00,000	
	ISSUED : 40,000 Ordinary Shares of Rs. 1,000/- each	4,00,00,000	
	SUBSCRIBED AND PAID-UP :		
	8,000 Ordinary Shares of Rs. 1,000 each allotted as fully paid up without payment being received in cash . . .	80,00,000	
3,90,00,000	31,000 Ordinary Shares of Rs. 1,000 each issued for cash	3,10,00,000	3,90,00,000
	Unsecured Loan :		
7,40,188	Amount due to Government of India .		57,61,837
	Current Liabilities and Provisions :		
62,590	For Machinery and Equipment . .	1,27,710	
3,62,502	For Contractor's Bills on Buildings under construction	65,582	
15,70,229	For Customs Duty on Machinery and Tools	13,60,723	
1,71,519	For Purchase of Tools and Stores . .	7,99,996	
2,04,840	For Expenses	7,48,028	
4,84,434	Due to Oerlikon Machine Tool Works .	4,09,572	
22,007	For Staff Provident Fund . . .	6,000	
53,732	For Other Finance	69,072	35,86,683
4,26,72,041	Carried Over		4,83,48,520

TOOLS (PRIVATE) LIMITED

31st *March*, 1956.

Rs.	PROPERTY AND ASSETS	Rs.	Rs.
As at 31st March 1955			
	Fixed Assets :—		
1,38,191	LAND, AT COST As per last Balance Sheet	1,38,191	
	Addition during the year . . .	27,251	1,65,442
	HANGARS, AT COST As per last Balance Sheet	18,33,522	
18,33,522	*Additions* during the year	3,89,600	22,23,122
	BUILDINGS AT COST As per last Balance Sheet	13,24,777	
13,24,777	*Additions* during the year	2,79,864	16,04,641
	ROADS AND PAVEMENTS, AT COST As per last Balance Sheet	2,93,098	
2,93,098	*Additions* during the year	2,24,051	5,17,149
	PLANT AND MACHINERY AT COST As per last Balance Sheet	1,97,92,759	
1,97,92,759	*Additions* during the year . . .	19,37,521	2,17,30,280
	JIGS AND FIXTURES, AT COST As per last Balance Sheet	5,71,681	
5,71,681	*Additions* during the year . . .	1,58,223	7,29,914
	WATER SUPPLY INSTALLATION, AT COST As per last Balance Sheet	54,171	
54,171	*Additions* during the year . . .	1,03,888	1,58,050
	ELECTRICAL INSTALLATION, AT COST As per last Balance Sheet	3,19,513	
3,19,513	*Additions* during the year . . .	77,037	3,96,550
	FACTORY EQUIPMENT, AT COST As per last Balance Sheet	5,12,867	
5,12,867	*Additions* during the year . . .	3,47,947	8,60,814
	Furniture and Fixtures, at cost :		
	As per last Balance Sheet . . .	1,60,255	
1,51,953	*Additions* during the year . .	2,12,512	
		3,72,767	
	Less Depreciation to date	22,147	3,50,620
	Motor Vehicles, at cost :		
	As per last Balance Sheet	1,03,615	
68,665	*Additions* during the year	28,816	
		1,32,431	
	Less Depreciation to date	53,377	79,054
2,50,61,197	**Capital Work-in-Progress** . . .		2,88,15,645
18,80,344	**Machinery, Equipment Etc. in Transit** .		8,10,803
	Current Assets :		2,66,776
29,04,513	**Loose Tools :** (As per Managing Director's Valuation)	31,06,187	
2,98,46,054	Carried Over	31,06,187	2,98,93,224

HINDUSTAN MACHINE

Revenue Account for the year ended

Rs.	CAPITAL AND LIABILITIES—(*Contd.*)	Rs.	Rs.
As at 31st March 1955			
4,26,72,041	Brought Forward .		4,83,48,520
4,26,72,041	TOTAL . . .		**4,83,48,520**

TOOLS (PRIVATE) LIMITED

31st March, 1956.

Rs.	PROPERTY AND ASSETS (*Contd.*)	Rs.	Rs.
As at 31st March 1955			
2,98,46,054	Brought forward .	31,06,187	2,98,93,224
	Current Assets (*Contd*).		
6,96,803	**Stores and Spare Parts** (As per Managing Director's Valuation)	20,14,908	
	Tools and Patterns etc. (As per Managing Director's Valuation)	1,25,895	
96,000	**Stock-in-Trade, at Market Value** . .	64,000	
5,48,440	**Work-in-Progress** (As per Managing Director's Valuation)	25,50,080	
25,657	**Sundry Debtors (Unsecured and Considered Good)** : (Due by a Director Rs. 81/-)	48,951	79,10,021
	Advances, Deposits and Pre-paid Expenses :		
1,24,027	Advance for Machinery and Sundry Supplies	6,18,185	
21,573	Advance to Staff	14,237	
2,52,791	Advances towards Building Construction .	5,22,700	
6,543	Other advances	3,681	
	Deposits :		
•	With Deputy Accountant General, Industry and Supply, Calcutta 50,000		
1,43,123	With Deputy Accountant General, Industry and Supply, New Delhi . . . 97,142		1,47,142
17,476	Other Deposits	22,030	
3,662	Pre-paid Expenses	21,986	13,49,961
	Investments :		
6,000	Held on account of Provident Fund 3 1/2 % Ten Years Treasury Savings Certificates .		6,000
63,823	**Cash and Bank Balance :** With Bankers on Current Accounts	2,11,847	
69,50,000	With Bankers on Short-Term Deposits .	28,00,000	
7,217	With Industrial and Commercial Bank Zurich Ltd., Zurich (Switzerland) (Sw. Frs. 6650)	7,239	
6,124	On Hand	56,147	30,75,233
	Development and Commissioning Expenditure :		
38,56,728	Balance as per last Balance Sheet.	38,56,728	
..	Transferred from Revenue Account . .	22,57,353	61,14,081
4,26,72,041	TOTAL		4,83,48,520

HINDUSTAN MACHINE

Revenue Account for the year ended

Rs.	PARTICULARS	Rs.	Rs.
For the year ended 31st March 1955			
	To *Balance as on 1st April* 1955 :		
	Work-in-Progress	5,48,440	
	Finished Stock	96,000	6,44,440
6,91,738	" Materials consumed		15,13,055
20,72,907	" Salaries and Wages. (This includes Rs. 36,000 paid to Managing Director) .		32,56,238
6,945	" Bonus to European Officers . . .		2,95,644
2,69,887	" Passage and other expenses . . .		43,376
10,735	" Rent, Rates and Taxes . . .		28,085
370	" Directors' Fee		400
..	" Interest on Loan		21,699
20,462	" Repairs and Renewals		12,311
57,485	" Insurance		53,210
10,503	" Postage, Telegrams and Telephones .		17,016
41,065	" Power Water and Lightings . . .		89,935
823	" Audit Fee		2,000
7,188	" Company's Contribution to Staff Provident Fund		30,772
..	" Contribution to Employees' State Insurance Corporation		9,457
4,07,885	" Miscellaneous Expenses . . .		3,41,010
21,985	" Depreciation on Furniture and Fixture and Transport Vehicles . . .		32,273
36,19,978	TOTAL . . .		63,90,921

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF HINDUSTAN MACHINE TOOLS (PRIVATE) LTD., JALAHALLI, BANGALORE

We have audited the Balance Sheet of **Hindustan Machine Tools (Private) Ltd.**, as at 31st March 1956 and the Revenue Account for the year ended that date and have obtained all the information and explanations we have required. In our opinion such Balance Sheet and Revenue Account are drawn up in conformity with the Law and the Balance Sheet exhibits a true and correct view of the state of affairs of the Company according to the best of our information and the explanations given to us and as shown by the books of the Company. We are further of the opinion that the books of account have been kept as required by Law.

MADRAS; (Sd.) FRASER & ROSS,

3rd September, 1956. *Chartered Accountants.*

The Director of Commercial Audit has intimated *vide* his letter dated 11th December, 1956 that there are no comments or supplement to the Company Auditor's Report on the accounts of the Hindustan Machine Tools (Private) Ltd., for the year 1955-56, as required under Section 619(4) and (5) of the Companies Act, 1956.

TOOLS (PRIVATE) LIMITED

31st March, 1956

Rs.	PARTICULARS	Rs.	Rs.
For the year ended 31st March 1955			
..	By Sales		73,693
	" *Transfer to* :—		
	Plant and Machinery	2,56,000	
..	Stock parts	1,10,424	3,66,424
98,182	" Interest received		99,310
3,167	" Rent received		17,825
13,054	" Miscellaneous Receipts . .		25,538
..	" Capital Work-in-Progress . . .		8,10,803
	" *Balance as on 31st March* 1956 :—		
5,48,440	Work-in-Progress	25,50,080	
96,000	Finished Stock	64,000	
..	Patterns and Tools	1,25,895	27,39,975
28,61,135	" Transfer to Development and Commissioning Expenditure		22,57,353
36,19,978	TOTAL . . . (*Annas and pies omitted*)		63,90,921

(Sd.) P. C. MUKERJEE . . *Chairman*
" N. N. WANCHOO, I.C.S . *Director*
" DR. O. M. WENGER . "
" K. NARAYANASWAMY . "
" A. ZAMAN, I.C.S. . . "
" T. MARIAPPA . . "
" M. K. MATHULLA . . *Managing Director*.

HINDUSTAN ANTIBIOTICS

Balance Sheet as at

	Rs.	A.	P.	Rs.	A.	P.
CAPITAL :						
Authorised						
40,000 Ordinary Shares of Rs. 1,000 each .				4,00,00,000	0	0
Issued and Subscribed						
10,000 Ordinary Shares of Rs. 1,000 each .						
(*a*) Shares issued for payment in cash—						
4,900 Shares of Rs. 1,000 each fully paid up				49,00,000	0	0
(*b*) Shares issued as fully paid up for value of assets taken over from Government of India—5,100 Shares of Rs. 1,000 each				51,00,000	0	0
				1,00,00,000	0	0
Paid up : 10,000 Ordinary Shares of Rs. 1,000 each				1,00,00,000	0	0
AMOUNT RECEIVED FROM GOVERNMENT OF INDIA TO BE UTILISED TOWARDS FURTHER ISSUE OF SHARE CAPITAL				54,00,000	0	0
CAPITAL RESERVE, being provisional value of assets, taken over from Government of India Shares	51,03,044	7	2			
Less : Applied towards issue of	51,00,000	0	0	3,044	7	2
Carried Forward				1,54,03,044	7	2

(PRIVATE) LTD., PIMPRI

31st *March*, 1956.

				Rs.	A.	P.
FIXED CAPITAL EXPENDITURE (Including work in progress) (As per Schedule annexed)				1,41,42,542	2	11
STORES, SPARE PARTS AND RAW MATERIALS : At cost as per Inventories certified and valued by the Managing Director (including unerected machinery).				12,01,849	15	2
STOCKS : As per Inventories certified and valued by the Managing Director : —						
(*a*) Raw Materials (including Rejects & Residue)	1,75,289	7	3			
(*b*) Semi-finished and Process Stocks . .	23,27,300	6	0			
(*c*) Finished Stocks	3,02,868	10	11	28,05,458	8	2
BOOK DEBTS :						
Secured—considered good	3,72,412	12	4			
Unsecured—considered good	5,60,047	3	10			
Unsecured—considered doubtful	198	1	0	9,32,658	1	2
ADVANCES : Pre-paid Expenses	6,176	7	0			
To Staff	19,262	4	0			
Against purchases of materials from U. N. I. C. E. F. & others	3,77,556	14	2			
Deposits with various Govt. Departments and others	8,23,002	6	2	12,26,897	15	5
Carried Forward .				2,03,09,406	10	10

HINDUSTAN ANTI-BIOTICS

Balance Sheet as at

	Rs.	A.	P.	Rs.	A.	P.
Brought Forward				1,54,03,044	7	2
Liability to U.N.I.C.E.F. for Machinery supplied:				40,72,725	8	0
NOTE:—In accordance with the Joint Plan of Operations entered into between the Govt. of India, the W. H. O. and the U. N. I. C. E. F., the Co. has to provide free for distribution without cost to children and pregnant and nursing mothers in India, Penicillin equivalent in value to this amount computed at the cost of production, in five equal instalments beginning one year after production reaches 400,000 mega units per month).						
Unsecured Loan:						
@ 4½ % from Government of India				70,00,000	0	0
Current Liabilities:						
(a) Sundry Creditors	18,82,833	4	7			
(b) Interest accrued and accruing on unsecured loan	57,821	14	0			
(c) Employees Security Deposit	2,000	0	0	19,42,655	2	7
Employees' Provident Fund Account						
(Partly invested as *per contra*)						
Employees' contribution	17,777	5	0			
Company's contribution	17,777	5	0			
	35,554	10	0			
Interest accrued on above investments	516	14	0	36,071	8	0
TOTAL				2,84,54,496	9	9

As per our Report annexed.

Chartered Accountants.

(PRIVATE) LTD., PIMPRI

31st *March*, 1956.

	Rs.	A.	P.	Rs.	A.	P.
Brought Forward				2,03,09,406	10	10
Employees' Security Deposit						
(Amount deposited in Post Office as *per Contra*)				2,000	0	0
Cash and Bank Balances :						
On hand	1,881	11	8			
On Current Accounts with State Bank of India	63,58,334	2	9	63,60,215	14	5
Employees' Provident Fund Account :						
INVESTMENTS—						
3½% Ten Year Treasury Savings Deposit Certificates (Balance of Rs. 1,154-10-0 has not been invested but forms part of the Co.'s own Bank balance)	34,400	0	0			
Interest accrued on above	516	14	0	34,926	14	0
Advance granted to Employees out of Provident Fund	10	0	0			
Deferred Revenue Expenditure being amounts taken over from the Government Penicillin Factory—						
(as per last Balance Sheet)				7,38,492	8	6
Profit and Loss Account balance brought forward	2,06,555	3	5			
Add : Loss for the year	8,02,899	6	7	10,09,454	10	0
TOTAL				2,84,54,496	9	9

(Sd.) V. S. CHAKRAPANI,

Asstt. Accounts Supdt. (Costing).

HINDUSTAN ΓIBIO1ICS (PRIVATE) LTD., PIMPRI

Schedule forming part of Balance Sheet as at 31st March, 1956

Fixed Assets	BLOCK			DEPRECIATION			
	Gross Block as at 31-3-55	Additions	Gross Block as at 31-3-56	Aggregate Depreciation to 31-3-56	Depreciation for the year to 31-3-56	Aggregate Depreciation to 31-3-56	Net Depreciation Block as at 31-3-56
1. Land	1,08,471 12 10	1,23,704 1 0	2,32,175 13 10	..	..	..	2,32,175 13 10
2. Non Residential and Factory Buildings	30,63,816 6 7	5,20,484 9 11	35,84,301 0 6	241 8 10	1,82,439 8 3	1,82,681 1 1	34,01,619 15 5
3. Residential Buildings	10,70,569 10 9	16,74,591 9 1	27,45,161 3 10	..	51,62• 3 6	51,624 3 6	26,93,537 0 4
4. Development of Site	36,137 1 9	28,520 8 11	64,657 10 8	..	..	..	64,657 10 8
5. Lawns	20,043 2 0	4,954 2 4	24,997 4 4	..	..	..	24,997 4 4
6. Roads	1,24,753 9 6	1,70,656 12 0	2,95,410 5 6	28 8 0	13,646 13 6	13,675 5 6	2,81,735 0 0
7. Electrical Installations	9,43,884 1 0	1,51,488 15 4	10,95,373 0 4	..	94,642 13 5	94,642 13 5	10,00,730 2 11
8. Railway Siding	18,908 11 0	1,69,053 5 0	1,87,962 0 0	..	..	..	1,87,962 0 0
9. Plant & Machinery	48,20,373 8 3	14,15,145 15 1 (—)5,9[illegible]1 0 0	62,29,588 7 4	4,16114 0 (—)144 0 0	7,96,714 10 1	8,00,732 8 1	54,28,855 15 3
10. Laboratory Equipment	3,21,517 3 10	40,417 1 4	3,61,934 5 2	699 7 9	87,190 13 8	87,890 5 5	2,74,043 15 9
Motor Vehicles & Trailers	20,466 3 0	46,153 12 0	66,619 15 0	461 9 0	15,265 6 0	15,726 15 0	50,893 0 0

12. Furniture, Fixtures and Office Equipments	2,25,862 11 1	(—)28 15 0 1,87,942 9 4	4,13,776 5 5	(—)10 5 0 636 6 3	34,650 2 2	35,276 3 5	3,78,500 2 0
13. Library Books	1,04,122 2 5	25,177 0 0	1,29,299 2 5	..	6,465 0 0	6,465 0 0	1,22,834 2 5
TOTAL Rs.	1,08,78,926 4 0	45,58,290 5 4 (—)5,959 15 0	1,54,31,256 10 4	6,229 5 10 (—)154 5 0	12,82,639 6 7	12,88,714 7 5	1,41,42,542 2 11

NOTES.—(1) The Building at Bombay stands on land belonging to the Government of Bombay who have the option to buy at a figure to be arrived at by "amortizing the cost of the building over a period of ten years".

(2) The value of machinery supplied by the U.N.I.C.E.F. is subject to confirmation by the authorities concerned.

(3) All figures are subject to adjustment for interest on capital employed which the Government might decide to charge.

HINDUSTAN ANTIBIOTICS

Profit and Loss Account for the

PIMPRI FACTORY	Rs.	A.	P.	Rs.	A.	P.
Dr.						
Opening Stock of Crude Penicillin . . .				16,727	8	0
Consumption of Raw Materials . . .						
Opening Stock on 1st April, 1955 . . .	7,44,845	6	7			
Add: Purchase during the year . . .	18,47,830	7	3			
	25,92,675	13	10			
Less—Closing Stock as on 31st March 1956 .	6,94,071	10	2	18,98,604	3	8
				19,15,331	11	8
Wages				1,81,611	4	0
Electricity and Power				2,65,411	5	0
Stores overhead Expenses				9,827	7	11
Salaries including allowances				6,37,455	10	0
Leave Salary & Pension Contribution of employees loaned by the Govt. . . .				23,298	6	0
Company's Contribution to Provident Fund .				10,724	11	0
Workmen's Compensation				19	3	0
Transport Charges				1,007	2	3
Medical Expenses				7,460	6	10
Travelling Expenses				9,395	5	0
Postage and Telegrams				5,372	5	0
Telephone Charges				4,867	14	0
Printing and Stationery				26,594	11	3
Advertising Expenses				13,902	5	0
Entertainment Expenses				1,469	6	0
Exhibition & Publicity Expenses . . .				26,562	6	5
Periodicals & Joiurnals				594	2	0
Artist's Running Expenses				735	7	3
Carried forward Rs.				31,41,641	1	7
Dr.						
Legal Charges				4,540	0	0
Audit fees				1,000	0	0
Directors Fees				150	0	0
Directors Travelling Expenses				3,279	12	0
Disposal of mycelium				639	6	0
Maintenance of Motor Vehicles				11,495	7	8
Running & Maintenance of Animal House . .				5,538	12	5
Running & Maintenance of Services . . .				2,64,127	12	0
Running & Maintenance of Workshop . .				18,592	4	9
Running & Maintenance of Plant Laboratory .				50,012	7	10
Repairs to Plant & Machinery				50,942	5	9
Repairs to Buildings				11,284	5	10
Repairs to Furniture & Fixtures				301	3	0
Repairs to Laboratory Equipment				99	0	0
Loss of Goods in Transit				23	6	4
Miscellaneous Losses				1,221	10	0
Sendry Expenses				18,369	14	0
Interest on unsecured loan				57,821	14	0
Depreciation written off during the year . .				12,25,543	1	11
Rs.				48,66,623	7	1
Balance brought down . . .				19,83,136	11	1
Rs.				19,83,136	11	1

As per our report annexed.

BOMBAY. Chartered Accountants.

(PRIVATE) LTD., PIMPRI
year ended 31st March, 1956.

Sales—Penicillin	47,498 2 0	
Animals	228 4 3	
Miscellaneous	13 7 9	47,739 14 0
Transfers to Hindustan Antibiotics (Private) Ltd., Bottling Plant Parel, Bombay—		
Penicillin	2,35,596 4 0	
Animals	3,033 0 0	2,38,629 4 0
Stocks of Penicillin (including Penicillin in process) as on 31st March, 1956		25,30,070 11 0
Electricity and water Charges		7,664 3 0
House Rent from Residential Bldgs		29,340 14 0
Miscellaneous Receipts		3,995 15 3
Interest on Call Deposits		26,045 14 9
Balance carried down		10,82,136 11 1
Carried forward Rs.		48,66,623 7 1

	Rs.	48,66,623 7 1
Profit of the Bottling plant, transferred		11,80,237 4 6
Net Loss for the year transferred to Balance Sheet		8,02,899 6 7
	Rs.	19,83,136 11 1

HINDUSTAN ANTIBIOTICS

BOTTLING PLANT, PAREL,

Profit and Loss Account for the year ended

DR.

Particulars				Rs. a. p.
Opening stock of—				
(a) Penicillin (including penicillin in process) on 1st April '55		64,095 4 9		
(b) Packing Materials	1,80,465 2 4			
Less—Stores & Spares	2,666 13 6			
	1,77,798 4 10			
Less : Old stocks written off	8,085 2 11	1,69,713 1 11		
		2,33,808 6 8		
Purchases : (including Transfers from Pimpri)				
(a) Penicillin		11,35,046 12 0		
(b) Packing Materials		8,01,240 11 6		
				21,70,095 14 2
Salaries and wages				1,08,145 5 0
Dearness Allowance				27,627 8 0
Other Allowances				43,229 0 0
Employees State Insurance Contribution				1,913 5 0
Contribution to Departmental Provident Fund				816 7 0
Company's Contribution to C.P.Fund				5,348 0 0
Freight on Despatches				52,633 14 9
Electricity, Water & Gas				13,130 10 9
Miscellaneous Stores Consumed				13,206 14 9
Printing & Stationery				2,485 13 9
Repairs & Maintenance				9,765 8 3
Motor Vehicles Expenses				3,532 5 3
Legal Charges				434 12 0
Insuranc e Charges				288 0 0
Other Expenses				50,478 11 3
Packing Materials written-off				8,085 2 11
Depreciation				57,759 8 8
Balance, being Profit of the Bottling Plant				11,80,237 4 6
TOTAL—RUPEES				37,49,214 2 0

As per our Report annexed.

BOMBAY. Chartered Accountants.

(PRIVATE) LTD.

BOMBAY

31st Marh, 1956

		Cr.
Sales, Less Returns	34,01,917 15 8	
Less Rebates & Discounts allowed . .	2,47,862 7 2	31,54,055 8 6
Stock of Penicillin (including penicillin in process) as on 31st March 1956. . .	2,75,387 13 2	
Stocks of Packing Materials	3,13,403 5 3	
		5,88,791 2 5
Miscellaneous Receipts and Sale of Empties		6,367 7 1
TOTAL—RUPEES		37,49,214 2 0

HINDUSTAN INSECTICIDES

Balance Sheet as on

CAPITAL & LIABILITIES

AUTHORISED CAPITAL		
10,000 Ordinary shares of Rs. 1,000/- each		1,00,00,000
ISSUED, SUBSCRIBED, CALLED AND PAID-UP CAPITAL		
3,800 Ordinary Shares of Rs. 1,000 each full paid up . . .		38,00,000
MACHINERY FUND—As per last balance sheet being cost of machinery supplied by United Nations International Children Emergency Fund (free of cost)	11,90,000	
Less credited to Plant & Machinery A/c (since the ownership has not so far been transferred either to the Government of India or the company)	11,90,000	Nil
SECURITY DEPOSITS FROM CONTRACTORS . .		6,205
SUNDRY LIABILITIES		
Due for expenses (including Rs. 150/- due to a Director) . .	98,351	
Due for goods supplied	1,36,694	
Due to Staff	4	
Employees' Income tax payable	1,352	
Due to D.A.G.	3,17,913	
Employees' State Insurance payable	2,806	
Sales tax payable	11,701	
		5,68,821
LEASE MONEY FOR UNICEF PLANT PAYABLE . .		1,88,417
STAFF PROVIDENT FUND (Since deposited with a Scheduled Bank)		9,666
PROFIT & LOSS ACCOUNT		
Net profit as per P & L A/c annexed		2,976
Carried over		45,76,08

(PRIVATE) LIMITED, NEW DELHI

31*st March*, 1956.

PROPERTY & ASSETS		Rs.	Rs.
FIXED CAPITAL EXPENDITURE			
As per details given in schedule annexed			15,83,257
PRELIMINARY EXPENSES (As confirmed by the Government of India)			
As per last balance sheet		7,058	
Less 50% transferred proportionately to			
Plant & Machinery	2,538		
Office building	186		
Factory building	805		
		3,529	3,529
SECURITY DEPOSITS			
With Delhi State Electricity Board, Delhi		8,816	
With Post Master, New Delhi		11	
			8,827
STOCKS & STORES IN HAND (As per inventories prepared, valued & certified by the Secretary)			
Raw materials at cost		1,51,206	
Finished goods, by-products & goods in process (At values as estimated by the Management)		10,12,735	
			11,63,941
GENERAL STORES & SPARE PARTS IN HAND (As per inventories prepared, valued & certified by the Security)			
General stores at estimated cost		85,701	
Spare parts through UNICEF at estimated cost		33,034	
Packing material at cost		6,473	
			1,25,208
STATIONERY IN HAND AT COST (As certified by the Secretary)			3,782
EXPENSES ON PROPOSED ALWAYE PLANT (Including Rs. 889/- as T.A. paid and Rs. 2,839/ as salary to the Managing Director)			5,049
MEDICINES IN HAND AT COST (As certified by the Secretary)			176
DEPOSIT FOR TELEPHONES (Under "Own Your Own Telephone" Scheme)			
As per last balance sheet		8,000	
Paid for new connections during year		4,000	
Less written off upto 31-3-55	400	12,000	
Less written off during the year	600	1,000	11,00
PREPAID EXPENSES			2,049
CLAIMS LODGED			59
INTEREST ACCRUED BUT NOT DUE			882
Carried over			29,07,799

HINDUSTAN INSECTICIDES

Balance Sheet as on

B/fd . Rs. 45,76,085

NOTES

1. Provision and payment for the lease payable on the land taken on lease from Delhi Cloth & General Mills Ltd. have been made on the advice from the Government of India, Ministry of Production, while the lease is still under examination.

2. Certain spare parts have been purchased during the year through the UNICEF for which invoices of supplies are awaited. Amounts as intimated by the UNICEF have been provided for. In the absence of vouchers of suppliers the consumption of material during the year out of the same has been estimated at 50% and balance carried forward. The difference, if any, might have a bearing on accounts.

3. 50% of the total expenses during construction period amounting to Rs. 3,31,845 and 50% of the total preliminary expenses amounting to Rs. 7,058 have been capitalised by allocating to the office building, factory building and plant and machinery in proportion to their W.D.V. as on 1-4-1955. The balance of 50% of both these above items is to be written off in three subsequent years in three equal parts.

4. Directors fee has not been provided for the Managing Director.

5. For lease money provided on the UNICEF plant, please refer to Note (3) at the foot of the Schedule of Fixed Capital expenditure.

6. The figures have been taken nearest to a rupee in the Balance sheet, manufacturing, trading and profit & loss accounts and schedule of Fixed Capital expenditure.

7. Included in the sum of Rs. 1,17,853/- shown as 'Advances for construction of building to C.P.W.D.' under the heading Book Debts is an amount of Rs. 1,477/14/- on account of the work done by the Horticulture Department of the C.P.W.D. before 31-3-1956 for which the advice from the Department has been received only very recently and hence the necessary adjustments have been left over for adjustment in the next year.

TOTAL	45,76,085
TOTAL	45,76,085

(Sd.) G. RAMAMOORTHY,
Accountant.

(Sd.) ATAM CHAND,
Accounts Officer-cum-Secretary.

AUDITORS REPORT TO

We have examined under the Indian Companies Act, 1913 the above Balance Sheet as enclosed Manufacturing, Trading and Profit & Loss A/c for the year ending on that date with

1. have obtained all the information and explainations that we required; and
2. in our opinion such Balance Sheet and Manufacturing, Trading and Profit & Loss
3. the balance sheet exhibits a true and correct view of the state of affairs of the com- shown by the books of the company, subject to the notes on the face of Balance Sheet
4. this Balance Sheet and the enclosed Manufacturing, Trading and Profit & Loss Account
5. in our opinion the books of accounts have been kept as required by Section 130 of the

NEW DELHI
November 23, 1956

PRIVATE LTD., NEW DELHI

31st March, 1956

B/fd .			29,07,759
BOOK DEBTS (considered good)			
Advances to suppliers	16,315		
Advances to staff	198		
Advances for expenses	1,583		
Advances for construction of building to C.P.W.D.	1,17,853		
Sundry debtors	9,82,784		
Due from Managing Director	6		
			11,18,739
MONEY AT CALL DEPOSIT WITH BANK OF BARODA LTD.			3,00,000
CASH & BANK BALANCES			
With State Bank of India, New Delhi in C/D A/c	189		
With Bank of Baroda Ltd., New Delhi in C/D A/c	76,044		
Postage Imprest	406		
Cash in hand	7,024		
			83,663
EXPENSES DURING CONSTRUCTION PERIOD			
As per last balance sheet		3,31,845	
Less 50% transferred proportionately to:			
Plant & Machinery	1,19,348		
Factory building	37,846		
Office building	8,727		
		1,65,924	1,65,924
TOTAL . .			45,76,085

(Sd.) S.S. JAGGIA,
Managing Director.

(Sd.) S. JAGANNATHAN
Chairman.

THE SHAREHOLDERS

on 31-3-1956 of Messrs Hindustan Insecticides (Private) New Delhi, together with the the books and vouchers of the company, and

Accounts have been drawn up in conformity with the law; and

pany according to the best of our information and explanations given to us and as and Schedule of Capital Expenditure

do not take into account the requirements of the companies Act, 1956 now in force,

Indian Companies Act, 1913-36.

(Sd.) S. P. CHOPRA & CO.,
Chartered Accountants.
23-11-1956.

HINDUSTAN INSECTICIDES PRIVATE LTD.

Schedule of Capital Expenditure as on 31-3-56

ANNEXURE TO BALANCE SHEETS

Name of Assets	Cost as on 1-4-1955	50% of "expenses during construction" & 50% of preliminary expenses capitalised Additions & expenses during the year	Total cost as on 1-3-1956 (2 plus 3)	Sold, w/o or adjusted during the year	Balance cost as on 31-3-1956 (4 minus 5)	Depreciation w/o upto 31-3-1956	Depreciation for year ended 31-3-56	Depreciation adjusted on items in Col. 5	Rate of Depreciation	Total Depreciation W/o upto 31-3-56 (8 plus 7 minus 9)	Balance W.D.V. as on 31-3-56 (6 minus 11)
1	2	3	4	5	6	7	8	9	10	11	12
1. Leasehold Land (Note 1)	2,08,377	..	2,08,377	..	2,08,377	..	..	..	..	..	2,08,377
2. Factory Building on lease hold land (Note No. 2)	5,16,247	1,74,104	6,90,351	..	6,90,351	25,812	38,547	..	5%	64,359	6,25,992
3. Office building on lease hold land (Note No. 3)	1,16,157	11,107	1,27,264	..	1,27,264	2,904	5,090	..	4%	7,994	1,19,270
4. Plant & Machinery (Note 3)	15,57,948	2,41,683	17,99,631	11,90,000	6,09,631	12,983	91,445	9,917	15%	94,511	5,15,120
5. Furniture & Fixture	19,252	3,193	22,445	115	22,330	1,155	1,340	7	6%	2,488	19,842
6. Typrwriters & Duplicators	7,309	1,724	9,033	..	9,033	1,096	1,356	..	15%	2,452	6,581
7. Office Equipment	8,500	15,487	23,987*	..	23,987	850	2,399	..	10%	3,249	20,738
8. Laboratory Equipment	3,345	7,216	19,561	88	10,473	334	1,047	8	10%	1,373	9,100

9. Fire Safety & First Aid Equipment	10,883	11,976	22,859	120	22,739	1,089	2,274	12	10%	3,351	19,388
10. Books & Library . .	1,856	1,469	3,325	..	3,325	185	332	..	10%	517	2,808
11. Cycles	408	..	408	..	408	82	82	..	20%	164	244
12. Car & Station Wagon .	30,783	..	30,783	..	30,783	3,458	6,156	..	20%	9,614	21,169
13. Truck	17,599	50	17,649	..	17,649	1,019	3,530	..	20%	4,549	13,100
14. Troleys	..	1,115	1,115	..	1,115	..	223	..	20%	223	892
15. Crockery & Utensils .	887	114	1,001	116	885	133	133	17	15%	249	636
	24,99,551	4,69,238	29,68,789	11,90,439	17,78,350	51,100	1,53,965	9,961		1,95,093	15,83,257

Notes 23,987

1. This represents the premium amount paid to Delhi Improvement Trust for the acquisition of land, the title deeds for which are still under execution.

2. The additions of Rs. 1,74,104 0 0 and Rs. 11,107 0 0 to factory building and office building respectively include Rs. 1,30,140 8 0 and Rs. 1,434/- towards the cost of construction work done by C.P.W.D. including Rs. 80,588/- on account of work done in the earlier year on which depreciation amounting Rs. 4,029-6-0 for the earlier year has also been charged in the Profit & Loss A/c of the year ending 31-3-1956.

3. The cost of plant and machinery as on 31-3-55 included plant and machinery of the value of Rs. 11,90,000/- which were supplied by UNICEF to the Government of India, who in turn handed it over to the company. Since the title of the same has neither been transferred to the Government of India nor to the company so far the entry incorporating the cost thereof has been reversed. The depreciation written off upto 31-3-55 on the same has also been written back on the advice of the Government of India and rent on the same has been provided at 10% P. A. (Rs. 9916-10-9) on the value of Rs. 11,90,000/-for the month of March 1955 and at 15% P. A. (Rs. 1,78,500/-) on the value for the year ending 31-3-56.

(Sd.) G. RAMAMOORTHY, *Accounatnt.* | (Sd.) ATAM CHAND, *Accountant Officer*-Cum-*Secretary.* | (Sd.) S. S. JAGGIA, *Managing Director.* | (Sd.) S. JAGANNATHAN, *Chairman.*

AUDITORS' REPORT TO THE SHAREHOLDERS

As per certificate appended to the Balance Sheet.

(Sd.) S. P. CHOPRA & CO.,
Chartered Accountants.
23-11-1956.

NEW DELHI;
November 23, 1956.

HINDUSTAN INSECTICIDES

Manufacturing, Trading and Profit and Loss Account

EXPENDITURE

	Rs.	Rs.
To opening stock of raw material		35,448
To purchases & expenses thereon		
Raw material	10,01,920	
Packing material	87,747	10,89,667
To General store & spare parts consumed		1,00,169
To Steam & water charges		53,668
To Electric & lighting charges		62,632
To Carriage & freight inward		10,328
To Factory & miscellaneous expenses		1,328
To Expenses of UNTAA staff		30,737
To Repairs & maintenanoe of factory building		747
To salary & wages including allowances		2,80,671
To remuneration to the Managing Director (Including house rent, conveyance, entertainment allowance and accident insurance)		36,441
To Rent, rate & taxes (including Rs. 2,750 of previous year)		8,689
To Repairs & maintenance of plant & machinery		38,520
To Printing and stationery		6,885
To Postage and telegrams		1,955
To Telephones		5,015
To Travelling & conveyance (including Rs. 681 of previous year)		2,889
To Advertisement		1,290
To Miscellaneous expenses		2,785
To Entertainment expenses		1,086
To Subscription & Periodicals		940
To Staff Welfare expenses		871
To Medical Aid		289
To Insurance (Including Rs. 1,096/- of previous year)		10,700
To Propaganda & Publicity		3,863
To Cartage & Cooliage outward		1,522
To Liveries		1,147
To Bank charges		38
To Contribution to Provident fund (including Rs. 488/- for previous year)		4,899
To Contribution for Employees' State Insurance		3,845
To Contribution for C.H.S.		78
To Directors' fee		150
To Audit fee		1,000
To Repairs & maintenance of vehicles		7,902
To Repairs to buildings		80
To General repairs		556
To Breakage and shortage W/o		227
To Lease money for UNICEF plant (including Rs. 9,917 for the month of March, 1955)		1,88,417
To Derpeciation W/o		1,53,954
To Net Profit c/o. to Balance sheet		2,976
TOTAL		21,54,404

(Sd.) G. RAMAMOORTHY,
Accountant.

(Sd.) ATAM CHAND,
Accounts Officer-cum-Secretary.

New Delhi, November 23, 1956

(PRIVATE) LIMITED, NEW DELHI—*contd.*

for the year ending 31*st March*, 1956.

INCOME	Rs.	
By Sales	9,65,912	
By Incidental charges on sales	5,031	9,70,943
By closing stocks of :		
Finished goods	10,12,735	
Raw material	1,51,206	
Packing material	6,473	11,70,414
By Interest received		2,707
By Miscellaneous income		223
By Directors fee of previous year written back		200
By Depreciation written back on UNICEF plant		9,917
TOTAL		21,54,404

(Sd.) S. S. JAGGIA,
Managing Director.

(Sd.) S. JAGANNATHAN,
Chairman.

AUDITORS' REPORT TO THE SHAREHOLDERS

As per certificate appended to balance sheet.

(Sd.) S. P. CHOPRA & CO,
Chartered Accountants.
23-11-56.

THE EASTERN SHIPPING

Balance Sheet as at

CAPITAL AND LIABILITIES

CAPITAL	Rs.	Rs.	Rs.	As at 31-3-55 Rs.
Authorised Capital :				
10,00,000 Shares of Rs. 100 each .			10,00,00,000	10,00,00,000
Issued & Subscribed Capital : 5,50,000 Shares of Rs. 100 each .			5,50,00,000	5,50,00,000
Paid-up Capital: 5,50,000 Shares of Rs. 100 each fully paid up			5,50,00,000	5,50,00,000
RESERVE AND SURPLUS				
Capital Reserve		2,95,121		2,95,121
Fleet Special Repairs Reserve .		11,50,000		7,50,000
Fleet Replacement Reserve . .		2,00,000		2,00,000
Dividend Equalisation Reserve .		3,00,000		3,00,000
Profit & Loss Account . . .		24,015		...
			19,69,136	15,45,121
SPECIFIC RESERVES				
Depreciation Reserve				
As per last Account . . .	41,34,000			
Additions during the year . .	29,95,812			
	71,29,812			
Less : Amount written off against assets sold & written off . . .	11,601	71,18,211		41,34,000
Deferred Taxation Reserve . .		19,39,731		9,57,000
Investment Reserve . . .		1,14,359		1,14,359
			91,72,301	52,05,359
LOAN				
Loan from Government of India (On mortgage of the part of the Company's fleet as per Deed of Covenants of 11-3-1955)			1,44,44,444	1,62,50,000
CURRENT LIABILITIES & PROVISIONS				
Liabilities :				
For goods supplied	2,16,405			4,86,967
,, Expenses, Rebates & Claims . .	21,08,661			22,78,134
,, Other Finance	1,55,104			2,53,919
,, Sundry Creditors	3,87,408			2,10,500
,, Capital Expenditure	1,309			47,083
,, Managing Agents, Commission .	3,54,551			..
,, Indemnity amount refundable to Govt. of India in terms of Agreement dated 18-8-1955	17,99,170			..
		50,22,608		32,76,603
Amount due to Scindia Steam Nav. Co. Ltd.		1,79,564		79,058
Advance and Deposits		1,01,041		1,87,017
Carried forward .		53,03,213	8,05,85,881	7,80,00,480

CORPORATION, LTD.

31st *March*, 1956.

PROPERTY AND ASSETS				As at 31-3-55
		Rs.	Rs.	Rs.
FIXED CAPITAL EXPENDITURE (At Cost)				
Fleet :				
As per last Account	4,64,77,339			
Additions during the year	1,50,807	4,66,28,146		4,64,77,339
Furniture :				
As per last Account	41,434			
Additions during the year	9,453	50,887		41,434
Motor Cars & Cycles :				
As per last Account	54,061			
Additions during the year	18,746			
	72,807			
Less : Cost of assets sold & written off	16,863	55,944		54,061
			4,67,34,977	4,65,72,834
Payments on Account of Ships under construction			1,44,45,829	1,44,45,479
CURRENT ASSETS				
Investments(At cost):				
In Government Securities :				
Face Value Rs.				
3% 1957 20,00,000	20,02,500			20,02, 500
3% 1959-61 8,18,000	8,08,798			8,08,798
3½% 1964 10,00,000	9,85,468			9,85,468
3% 1958 30,00,000	29,87,813			..
3½% Ten Years Treasury Saving Deposits F. V. Rs. 50,000	50,000			50,000
12 years National Saving Certificates face value Rs. 5,000	5,000			5,000
(Market Value Rs. 68,24,026)			68,39,579	38,51,766
(Out of the above Government Seccurities of the F. V. of Rs. 5,000 are deposited with Collector of Customs Bombay.)				
Interest accrued on Investments and Bank Deposits		3,02,172		1,14,635
Stores & Spare Parts (as valued and certified by the Manager).		98,266		94,537
Book Debts (Unsecured-considered good)				
Due by Agents	4,03,794			4,28,737
Sundry Debtors	18,70,749			7,56,856
Indemnity receivable from Government of India in terms of Agreement of 18-8-1955	..			17,99,170
		22,74,543		29,84,763
Unfinished Voyages		8,89,569		6,18,311
Carried forward.		1,04,04,129	6,11,80,806	6,10,18,313

THE EASTERN SHIPPING

Balance Sheet as at

CAPITAL AND LIABILITIES

		Rs.	Rs.	Rs.	As at 31-3-55 Rs.
Brought forward			53,03,213	8,05,85,881	7,80,00,480
Security Deposits Government Securities at F.V. (as per Contra)	..		19,000		12,000
General Average Deposits			16,459		..
Unfinished Voyages			23,75,623		12,09,841
Provision for Taxation As per last Account		39,276			
Add, Provision this year	2,00,000				
„ Refund of tax deducted at source on interest on Securities (53/54) received this year	82,731	2,82,731			
		3,22,007			
Less Payments during the year	37,794				
„ Amount transferred to Deferred Taxation Reserve	82,731	1,20,525	2,01,482		39,276
				79,15,777	48,03,795
Note: There are commitments in India for pending orders for New Tonnage for approximately Rs. 1,63,54,000/- subject to final determination of cost of ships under construction.					
		TOTAL Rs.		8,85,01,658	8,28,04,275

CORPORATION LTD.—*contd.*

31*st March*, 1956.—*contd.*

PROPERTY AND ASSETS

				As at 31-3-55
	Rs.	Rs.	Rs.	Rs.
Brought forward		1,04,04,129	6,11,80,806	6,10,18,313
Advances				
Prepaid Expenses	68,154			41,873
Advances & Deposits	1,40,576			1,84,233
Advance payment of tax	43,012			..
		2,51,742		2,26,106
Security Deposits in Government Securities at F.V. (as per Contra).		19,000		12,000
General Average Despoits. (Balances with Bank)		16,459		..
Cash & Other Balances:				
Cash on hand	47,729			24,985
Cash in transit	4,21,725			3,85,425
Cash at Banks on Current Accounts	15,60,068			14,25,581
Cash at Banks on Deposits	1,46,00,000			1,20,00,000
		1,66,29,522		1,38,35,991
			2,73,20,852	2,17,38,109
Profit & Loss Account:			..	47,853
		TOTAL	8,85,01,658	8,28,04,275

FOR THE EASTERN SHIPPING CORPORATION LTD.

R. R. SAKSENA,
Managing Director.

B. RAOTE,
Accountant.

The above Balance Sheet to the best of our belief contains a true account of the Capital & Liabilities and of the Property & Assets of the Company.

C. H. BHABHA *Chairman.*

NAGENDRA SINGH
R. NARAYANASWAMI
CHIMANLAL B. PARIKH
CHUNILAL B. MEHTA
SHANTIKUMAR N. MORARJEE
} *Directors.*

THE EASTERN SHIPPING

Profit and Loss Account for the

Dr.	Rs.	Previous year. Rs.
To Salaries Wages and Allowances, etc.	26,53,858	22,01,907
„ Establishment Expenses (including Office Rent, Stationery, Printing, Telegrams, Legal Charges etc.)	3,61,671	3,92,489
„ Coal and Fuel Oil	32,83,737	34,41,271
„ Marine Dues, Light Dues etc.	8,89,334	7,83,064
„ Stevedoring, Survey Fees, Dunnage, etc.	32,14,084	23,06,480
„ Claims Despatch Money, etc.	2,19,597	1,44,376
„ Agency Fees, Brokerage, Commission, etc.	12,01,448	7,78,409
„ Stores, surveys, Repairs, Sundry steamer charges etc.	28,89,426	21,71,298
„ Insurances, Protection Club Fees, etc.	8,40,837	7,76,224
„ Hire of Chartered Steamers	..	6,89,072
„ Auditors' Fees	1,500	1,000
„ Director's Fees and Travelling Expenses	8,847	14,309
„ Interest	4,06,250	3,50,617
„ Managing Agent's Commission	3,54,551	..
„ Depreciation	29,95,812	25,26,000
„ Loss on Vehicles sold and written off	1,760	..
„ Provision for Taxation	2,00,000	1,12,000
„ Balance being Profit carried down	31,71,038	..
	2,26,93,750	1,66,88,516
To Balance brought forward from last account	47,853	..
„ Loss for the year brought down	..	19,01,371
Indemnity amount refundable to Govt. of India in terms of Agreement dated 18th August, 1955	17,99,170	..
Fleet Special Repairs Reserve	4,00,000	..
„ Deferred Taxation Reserve	9,00,000	..
„ Balance carried to Balance Sheet	24,015	..
TOTAL	31,71,038	19,01,371

REPORT of the Auditors to the Shareholders

We have audited the foregoing Balance Sheet of the Eastern Shipping Corporation Limited as at 31st March, 1956, and also the foregoing Profit and Loss Account of the Company for the yea ended on that date, from both of which annas and pies have been eliminated and beg to report that

(*a*) We have obtained all the information and explanations we have required;

(*b*) In our opinion the foregoing Balance Sheet and the Profit and Loss Account are draw up in conformity with the provisions of the Indian Companies Act, 1913;

(*c*) Such Balance Sheet exhibits a true and correct view of the state of the Company's affair according to the best of our information and the explanations given to us and shown by the Book of the Company ;

(*d*) In our opinion, the Books, of Account have been kept by the Company as required b Section 130 of the Indian Companies Act, 1913 ; and

(*e*) As the Accounts relate to a period prior to the commencement of the Companies Act 1956, our report has been drawn up in accordance with the provisions of the India Companies Act, 1913.

DALAL & SHAH,
Chartered Accountants,

7th December, 1956.

CORPORATION LTD.—*concld.*

year ended 31st March, 1956.

	Rs.	Previous year. Cr. Rs.
By Freight, Passage Money	2,20,84,297	1,43,19,409
„ Interest	5,51,695	4,27,305
„ Transfer Fees	2	8
„ Miscellaneous Receipts	57,756	40,423
„ Loss for the year carried down	..	19,01,371
	2,26,93,750	1,66,88,516
By Balance brought forward from last account	..	54,348
„ Balance of Profit brought down	31,71,038	..
„ Indemnity receivable from Govt. of India in terms of Agreement dated 18th August, 1955 subject to adjustment on Govt. Audit		17,99,170
„ Balance carried to Balance Sheet		47,853
TOTAL	31,71,038	19,01,371

FOR THE EASTERN SHIPPING CORPORATION LTD.

B. B. RAOTE,
Accountant.

R. R. SAKSENA,
Managing Director

The above Statement of Profit and Loss Account, to the best of our belief, contains a true account of the Income and Expenditure of the Company,

C. H. BHABHA — *Chairman.*

NAGENDRA SINGH
R. NARAYANASWAMI
CHIMANLAL B. PARIKH
CHUNILAL B. MEHTA
SHANTIKUMAR N. MORARJEE
} *Directors.*

HINDUSTAN HOUSING

Balance Sheet as at

As at 31st July' 55	LIABILITIES	Rs. A. P.	Rs. A. P.
	SHARE CAPITAL		
	Authorised		
	2,500 Ordinary 'A' class shares of Rs. 100/- each	2,50,000 0 0	
	2,500 Ordinary 'B' class shares of Rs. 100/- each	2,50,000 0 0	
5,00,000 0 0			5,00,000 0 0
	Subscribed		
	500 Ordinary 'A' class shares of Rs. 100/- each fully paid up . .	50,000 0 0	
	500 Ordinary 'B' class shares of Rs. 100/- each fully paid up . .	50,000 0 0	
1,00,000 0 0			1,00,000 0 0
	RESERVES & SURPLUS		
	Depreciation Reserve	21,580 9 6	
	Less: Transferred to respective assets	21,580 9 6	
21,580 9 6			0 0 0
	SECURED LOANS		
9,09,532 8 9	CPWD against contract sale . .		2,90,302 11 0
4,12,549 7 7	The Punjab National Bank Ltd. .		0 0 0
	UNSECURED LOANS		
409 9 0	Securities from Staff & supplies .	23,732 13 9	
	Ministry of W.H. & Supply . .	18,15,000 0 0	
			18,38,732 13 9
	MESSRS. BASAKHA SINGH WALLENBORG (Private) LTD.		
	Balance of the Current Account .	10,38,994 11 9	
	Less : Share of losses recovered . . 9,70,876 6 0		
	Paid to Govt. of India . . . 68,118 5 9		
9,22,604 4 0		10,38,994 11 9	0 0 0
	CURRENT LIABILITIES AND PROVISIONS		
	Lease money payable to Govt. of India		
	As per last balance sheet . .	4,05,538 6 0	
	Provided during the year . .	1,92,715 0 0	
		5,98,253 6 0	
	Less: Relief allowed to M/S B.S.W. (P) Ltd.	3,948 4 6	
4,29,287 3 5		5,94,305 1 6	
5,33,028 1 0	Sundry Creditors for purchases and expenses	11,00,911 5 3	
0 0 0	Interest accrued on Unsecured loans	40,001 2 0	
	Provision for Taxation		
13,013 11 6	Income Tax on salaries payable .	9,545 8 6	
82,567 8 0	Sales Tax Payable . . .	98,841 0 9	
34,24,572 13 10	Carried over	18,43,404 2 0	22,29,035 8 9

FACTORY (PRIVATE) LIMITED, NEW DELHI

31st *July*, 1956.

As at 31st July 1955			Rs. A. P.	Rs. A. P.
	FIXED ASSETS			
	Buildings (at cost)		42,454 7 6	
	Less: Depreciation for the period		4,637 7 6	
				37,817 0 0
Nil				
	Machinery (at cost)		11,103 6 6	
	Less: Depreciation for the period		668 3 0	
				10,435 3 6
Nil				
	Furniture, Fittings and Office Equipment (at cost)		56,212 5 6	
	Additions during the year		356 11 3	
			56,569 0 9	
	Less Written off		125 0 0	
			56,444 0 9	
	Less depreciation:—			
	Upto 31st July' 55	5,237 3 6		
	During the year	3,072 6 0		
			8,309 9 6	
				48,134 7 3
56,212 5 6				
	Tools and Implements (at cost)		1,18,827 0 0	
	Additions during the year		14,435 9 0	
			1,33,262 9 0	
	Less: Written off		39 9 3	
			1,33,222 15 9	
	Less: Depreciation:—			
	Upto 31st July '55	13,755 4 0		
	During the year	10,752 8 0		
			24,507 12 0	
				1,08,715 3 9
1,18,827 0 0				
	Moulds (at cost)		60,385 8 0	
	Additions during the year		1,09,227 0 0	
			1,69,612 8 0	
	Less: Written off		1,22,475 9 0	
				7 136 15 0
60,385 8 0				
	Laboratory Equipment (at cost)		8,575 9 6	
	Less: Depreciation upto 31st July '55	2,515 1 0		
	During the year	1,212 1 6		
			3,727 2 6	
				4,848 7 0
8,575 9 6				
	Library (at cost)		1,045 3 6	
	Additions during the year		94 1 0	
			1,139 4 6	
	Less: Depreciation:—			
	Upto 31st July '55	73 1 0		
	During the year	53 5 0		
			126	
				1,012 14 6
1,045 3 6				
2,45,045 10 6	Carried over			2,58,100 3 0

HINDUSTAN HOUSIN

Balance Sheet as

As at 31st July, 1955			Liabilities					
Rs.	A.	P.		Rs.	A.	P.	Rs.	A.
34,24,572	13	10	Brought/ovet .	18,43,404	2	0	22,29,035	8
			Provision for Contingencies.					
2,662	2	9	Salaries & Wages payable . .	55,261	8	9		
0	0	0	For vehicles Repairs & Spares . .	17,500	0	0		
			For wages-Yol camp Contract . .	4,000	0	0		
			Other liabilities					
0	0	0	Staff at credit	660	2	0		
52,155	11	0	Sub-contractors at credit . . .	54,609	12	9		
31,152	8	3	Others	17,448	10	6		
							19,92,884	4
45,474	14	3	Cheques issued but not presented .				9,471	2
21,505	14	0	*Suspense Account* (Pending adjustments)				6,472	15

FACTORY (PRIVATE) LIMITED, NEW DELHI

31*st July*, 1956.

As at 31st July, 1955	*Assets*		
Rs. A. P.		Rs. A. P.	Rs. A. P.
2,45,045 10 6	Brought/over		2,58,100 3 0
	CURRENT ASSETS		
	1 *Stock in trade stores & spares*		
	(certified as to quantities and values by the General Manager).		
	(*i*) *Stores and Spare parts* (at cost or Market price whichever is lower)		
1,99,608 0 0	(*a*) Raw materials	6,73,718 3 0	
	(*b*) Tools & Machinery spares	24,512 9 0	
	(*c*) Paints & Sanitary fittings etc.	18,165 9 0	
	(*d*) Consumbable stores	2,101 10 0	
			7,18,497 15 0
	(*ii*) *Stock in trade* (at cost or market price whichever is lower).		
4,32,088 0 0	(*a*) Finished goods	5,37,486 15 0	
0 0 0	(*b*) Goods in transit	21,642 4 6	
2,000 0 0	(*c*) Saleable material (at low cost Housing Exhibition)	2,000 0 0	
			5,61,129 3 6
	(2) *Work in Progress*		
	(Certified as to quantities & values by the General Manager).		
9,19,036 14 9			2,29,748 14 0
1,87,248 7 7	**SUNDRY DEBTORS**		13,15,195 4 0
	Loans and Advances		
	Bills receiveable (approximately Rs. 32,000/- considered doubtful)	1,57,223 9 10	
1,09,800 12 3	Mr. C. G. Thorborg (under guarantee of R. B. Sardar Basakha Singh)	1,09,800 12 3	
30,719 8 9	Govt. Housing Factory	30,719 8 9	
16,974 15 9	Advances to Suppliers	1,16,069 8 3	
0 0 0	Govt. of India	13,332 14 3	
581 15 0	Staff—for purchases	560 10 0	
	Staff—against salaries & wages (including Rs. 139/7/- due to Mr. R. P. Mhatre, General Manager, since realised).		
5,305 15 6	(Of this Rs. 107/1/3 considered doubtful)	[illegible]9 5 3	
11,210 0 0	Earnest Money	21,870 0 0	
4,320 3 0	Prepaid Expenses	4,137 9 0	
716 8 0	Others	1,516 2 0	
			4,57,679 15
0 0 0	*Suspense* (Pending adjustment)		63 12 0
	CASH & OTHER BALANCES		
124 15 9	With Bankers in current a/c	1,94,693 1 5	
0 0 0	Cheques deposited but not credited	331 9 0	
1,364 5 9	Imprest & Cash in hand	8,237 14 0	
			2,03,262 8 5

HINDUSTAN HOUSING

Balance Sheet as at

As at 31st July, 1955	*Liabilities*	
Rs. A. P.		Rs. A. P.
35,77,524 0 4	TOTAL	42,37,863 14 6

FACTORY (PRIVATE) LIMITED, NEW DELHI.

31st July, 1956

As at 31st July, 1955	Assets		
Rs. A. P.		Rs. A. P.	Rs. A. P.
	MISCELLANEOUS EXPENDITURE & LOSSES.		
	Debit balance as per last Balance sheet	14, 11,377 11 9	
	Less : Share of loss recovered from M/S. B. S. W. (P) Ltd. . . .	9,70,876 6 0	
		4,40,501 5 9	
	Add : Net loss as for the year as per annexed Profit & Loss A/c. . .	53,684 13 3	
14,11,377 11 9			4,94,186 3 0
35,77,524 0 4			42,37,863 14 6

NOTES : (1) Sundry Debtors include Rs. 4,87,175/- in respect of partly completed contracts to the extent of goods inspected but undelivered and against which Rs. 2,90,302/11/1 have been received in advance.

(2) The adjustment of loss recovered from M/S B. S. W. amounting to Rs. 9,70,876/6/0 is in accordance with the agreement entered into between the President of India and the Company dated 31st March, 1956.

Sd./-	Sd./-	Sd./-
Accounts Officer	*General Manager*	*Director*

HINDUSTAN HOUSING FACTORY (PRIVATE) LIMITED, NEW DELHI

Profit & Loss Account for the year ended 31st July, 1956

	Rs.	A.	P.	Rs.	A.	P.
To stock as on 1st August, 1955.						
Finished Goods . . .	4,32,088	0	0			
Work in Progress . . .	9,14,440	14	9			
Work in Process . . .	4,596	0	0			
				13,51,124	14	9
" *Consumption of Raw Materials*						
Opening stock . . .	1,99,608	0	0			
Purchases	21,68,933	8	6			
	23,68,541	8	6			
Less : Closing Stock . .	7,17,034	13	0			
				16,51,506	11	6
Works Expenses.						
Salaries & wages . . .	3,29,071	10	6			
Salaries-Engineers . . .	65,461	0	0			
Mould written off . . .	1,22,475	9	0			
Expenses through Contractors .	1,19,380	6	3			
Lease Money payable . .	1,93,270	8	0			
Laboratory Expenses . .	687	2	9			
				8,30,346	4	6
" *Payments Provisions for Employees.*						
Establishment				1,35,455	9	0
Salaries-Design Section . .				35,017	0	0
Workmen Compensation, Employees' State Ins. Contribution Staff Welfare & Entertainments				11,369	5	9
" *Other Expenditure*						
House Tax and Ground Rent .				23,570	12	0
Travelling Expenses-Engineer .				14,766	11	0
Travelling & Conveyance (including conveyance allowance) .				18,813	0	0
Printing, stationery, Postage, Telegrams and Telephones .				20,775	5	3

	Rs.	A.	P.	Rs.	A.	P.
By sales						
(a) Completed Contracts . .	30,05,593	13	9			
(b) Partly completed contracts to the extent deliveries effected.	1,20,353	0	0			
(c) Partly completed contracts to the extent stocks inspected, but undelivered (less provision for incidental expenses) .	4,87,175	0	0	36,13,121	13	9
" Sale of scrap				22,655	4	6
" Sale of & transfers of Petrol .	16,649	6	6			
" Petrol Stock in hand . .	1,463	2	0			
				18,112	8	6
" *Stock in hand as at 31st July, 1956.*						
(i) *Finished Products*						
(a) Prestressed Concrete .	2,36,934	6	0			
(b) Wood Work . . .	1,41,822	11	0			
(c) Foam Concrete . .	1,58,729	14	0			
				5,37,486	15	0
(ii) *Work in progress*						
(a) Machine components .	53,939	2	0			
(b) Surplus stock . . .	5,437	4	0			
(c) Timber sawn . . .	1,42,856	14	0			
(d) Maintenance Department	19,690	10	0			
(e) Sundries . . .	7,825	0	0			
				2,29,748	14	0
" *Rent received (less refunds)* .				23,821	3	0
" Transport charges recovered .				4,466	14	2
" Miscellaneous Reecipts (including recoveries towards the bad debts previously written off)				10,990	5	3
" Balance being Net Loss for the year carried to Balance Sheet				53,684	13	0

	Rs.		
Advertisements	796	0	0
Registration & Licence Fees etc.	[illegible],220	0	0
Fines, Penalities & Forfeiture of Securities	1,342	10	0
Honorarium to Managing Director	200	0	0
Sales Tax Payable (Provision)	27,349	13	0
Audit Fee	3,500	0	0
Railway *Siding* Charges	2,689	8	0
Royalties	6,037	8	0
Repairs to Link Road	3,210	0	0
Repairs & Renewals	8,716	1	9
Interest & Bank Charges	65,213	0	6
Insurance	6,671	8	0
Transport Maintenance	65,094	14	5
Transportation Charges	38,116	9	0
General Maintenance	51,133	0	3
Water & Electricity	79,961	11	0
Petrol Purchases	18,047	1	0
Miscellaneous Expenses	3,488	0	0
" *Selling Expenses*			
Commission, Rebate & Discour	9,310	3	0
" *Other Payments & Provisions*			
Breakages in transit written off	6,335	6	9
Loss by theft of Materials written off	2,261	11	0
Petrol written off	205	15	6
Amounts written off	47	1	3
Depreciation on assets written off	20,395	15	0
TOTAL Rs.	45,14,088	11	5

TOTAL	Rs.	45,14,088	11 5

(Sd.) Y. R. SWAMY,
Accounts Officer.

(Sd.) R. P. MHATRE,
General Manager.

Directors.

GMGIPND—DME—254 M of Fin—13-2-58—300